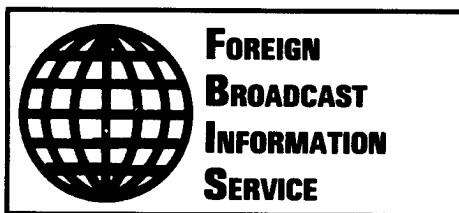


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28 MAY 1992



JPRS Report

Near East & South Asia

INDIA

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Near East & South Asia

INDIA

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INTERNATIONAL AFFAIRS

More Cooperation With Algeria on Railways Planned

92AS0974A Madras *INDIAN EXPRESS* in English
23 Apr 92 p 7

[Text] New Delhi—India and Algeria have agreed to continue and deepen their collaboration in the railway sector within a mutually advantageous framework.

A decision to this effect was taken on the conclusion of the 3rd meeting of the Indo-Algerian joint working group on railways here on Tuesday.

The minutes of the meeting were signed by the railway board chairman, Mr. Y.P. Anand on behalf of India and Mr. D.E. Boulkedid, director general of the Algeria railway authority on behalf of Algeria.

both countries evaluated the decade-old cooperation and identified directions which were the objectives of mutual collaborations.

They exchanged views and expressed mutual satisfaction on the progress of bilateral cooperation so far. The meeting identified a number of areas where both countries would cooperate in the railway sector.

The Algerian side informed the Indian side that the Indian Railway Construction Company Limited (IRCON) would be invited to submit its bid for the renewal of the project of Annaba Ramdene Djamel section within a fixed time.

IRCON and Rail India Technical and Economic Services Limited (RITES) have been prequalified for participating in the tender for the construction and supervision of El Achir tunnel.

In addition, the Algerian side made a note of the experience acquired by the Indian railways in the area of gauge conversion and the ambitious programme in this field.

It also expressed its desire to start a programme of collaboration with Indian railways for enabling it to decide about the feasibility and opportunity of proceeding to the standard gauge from the existing narrow gauge lines.

Algeria will send some experts in this connection to familiarise with the works in progress in Indian railways.

The Algerian side agreed to the exchange of technical information with IRCON on the design and manufacture of dual gauge concrete sleepers, according to an official release.

The Algerian side showed keen interest in further extension of computerised operations simulation system already supplied by RITES and identified areas requiring priority, including conversion of electrification

from the existing 3000 volts to 25 kV AC system of its railway line and further extend it to a main railway line.

Algeria also expressed interest in information regarding possible supplies of raw material from India for production of Siemens relays.

Technical, Economic Pact Signed With Mongolia

92AS0971A Madras *THE HINDU* in English 18 Apr 92
p 7

[Text] Ulan Bator, April 17—India today signed an agreement with Mongolia on technical and economic cooperation. The agreement, providing for establishment of a centre for small scale industry in Mongolia, was signed after talks between the visiting Vice-President, Dr. S.D. Sharma, and his Mongolian counterpart, Mr. R. Gonchigdorj, at the State Palace here.

It also provides for training of Mongolian personnel in India and for deputation of Indian experts to Mongolia in developmental fields.

Earlier, Dr. Sharma arrived in the Mongolian capital from Pyongyang on a three-day official visit. He was received at the airport by Mr. Gonchigdorj.

The talks between the two leaders lasted two hours during which Dr. Sharma pledged support to Mongolia on various economic and commercial fields.

The agreement was signed by Mr. L.L. Mehrotra, Secretary (East), Ministry of External Affairs, and Mr. K. Jchoinjhor, First Deputy Foreign Minister of Mongolia.

Speaking at a banquet hosted by the Mongolian counterpart Mr. R. Gonchigdorj, Mr. Sharma said India was aware of Mongolia's needs in its efforts to restructure and open its economy and give a new shape to its Constitution and would like to help it in the task.

Joint declaration: The joint declaration signed between the two countries in 1973 on cooperation in political, economic, cultural, scientific and technological fields still held good and "I am here to your beautiful country to reiterate this commitment," Dr. Sharma said.

The Vice-President said peace and stability was a prerequisite for development of all countries. This was also in the mutual interest of all.

It was, therefore, necessary for all developing countries to sit together and chalk out a new development strategy and seek its dialogue with developed countries. This was essential to do away with global economic imbalances.

Working together was also necessary to attain the goal of development and modernisation as well as to preserve freedom and democracy, Dr. Sharma said.

Historical changes: Greeting the people of Mongolia going through a phase of historical changes, Dr. Sharma said: "The future of Mongolia is bright." He said the

peaceful and the nonviolent ways through which Mongolia had ushered changes in the country was indeed commendable.

Referring to the historical ties between the two, Dr. Sharma said India was among the first few nations to accord it recognition in the Fifties. India had also welcomed its entry into the nonaligned nations' fold in 1991. Mutual cooperation between the two needed to be increased to ensure each others development, he added.—PTI. UNI

Reportage on Rocket Technology Deal With Russia

Delhi Denies Rumors

92AS0962A Madras THE HINDU in English 20 Apr 92 p 1

[Text] New Delhi, April 19—A report that Russia has cancelled a \$200 million contract for the transfer of cryogenic rocket engines to India, following U.S. pressure, has been denied by the External Affairs Ministry.

A Ministry spokesman said here today that the termination of the contract was out of question as negotiation on the deal, though close to finalisation, was still under way.

The spokesman added that the Russian Ambassador, Mr. Anatoliy Dryukov, had, during a meeting with the Foreign Secretary, Mr. J.N. Dixit, on April 17, requested detailed technical discussion between representatives of the Indian Space Research Organisation (ISRO) and Glavkosmos (the Russian space agency) on bilateral space cooperation including the supply of cryogenic engines. So, the spokesman said, an ISRO team, led by Prof. U.R. Rao, Secretary for Space, left for Moscow on Saturday night to continue the dialogue.

At no time during his discussions with the Foreign Secretary did the Russian Ambassador mention suspension or discontinuation of the deal, but only called for early technical discussions, the spokesman said. He, however, quoted the Ambassador as saying that Russia was also undertaking technical discussions with the Americans on this issue.

The Russian envoy hoped India and Russia would adopt a "practical approach" which would facilitate the continuation of bilateral cooperation. According to the spokesman, as of now there were no signals to suggest an unfavourable response from the Russians on the issue.

However, he admitted that Russia had recently indicated that its policies on nonproliferation of military technology were more in tune with "the international mainstream." India, however, maintains that its space programme is oriented towards peaceful exploitation of outer space and does not have military applications.

Experts here say that there have been some recent indications of Russia's pro Western shift directed

towards denial of dual use technology and nuclear technology to the Third World. For instance, officials here are uncertain that India will receive from Russia two 1,000 mW nuclear reactors for the Koodankulam nuclear power plant as had been promised earlier.

PTI, UNI report:

The purchase of the cryogenic engine from Russia would be a commercial deal and India considered it to be outside the purview of military technology, the spokesman said.

The Indo-Russian space cooperation included the purchase of a cryogenic engine—a secondary stage booster rocket to place a satellite into a stationary orbit.

The Russian youth daily, KOMSOMOLSKAYA PRAVDA, had reported last week that the Russian President, Mr. Boris Yeltsin, had suspended the \$200 million contract between the Indian and Russian space organisations, which included the transfer of rocket technology, following U.S. objections.

The spokesman said the import of a cryogenic engine was negotiated when political uncertainty developed in the Soviet Union. It was a commercial deal and the stage of finalising the price and delivery time of the engine had been reached.

The spokesman said during Mr. Dixit's visit to Moscow in January, he was told that the Russian Federation would honour its commitments to India regarding defence, commerce, technology and power. However, there could be some delays in this period of transition. The delay should not be interpreted as "unwillingness to cooperate."

Lok Sabha Discussion

92AS0962B Calcutta THE STATESMAN in English 21 Apr 92 pp 1, 7

[Text] New Delhi, April 20—A demand to cancel the joint Indo-U.S. Naval exercise and scrap the long term military cooperation between the two countries was made in the Lok Sabha today as members from all sections of the House joined to denounce the U.S. pressure on Russia to stop transfer of its rocket technology to India.

Opposition members berated the Government for its silence over such important and crucial matters. The Opposition even wanted the House to adopt a resolution criticizing U.S. attempts at interfering in the affairs of other countries.

The United States was criticized for not only such interference, but also working to halt the progress of the Indian rocket and space programmes to undermine the security interests of India. Some members condemned the U.S. "arrogance."

The CPI [Communist Party of India] leader, Mr Indrajit Gupta, even warned that if the Government continued

its weak kneed policies towards the United States, India might soon have to face sanctions. Threats of sanctions had already been issued, he added. The leader of the House, Mr L.K. Advani, saw attempts by the United States to make India its "satellite."

A senior official of the Russian space agency, Glavkosmos, today confirmed that a high-level Indian delegation from the Indian Space Research Organization was currently in Moscow "to resolve the problems" arising from President Boris Yeltsin's reported decision to suspend transfer of rocket technology to India, adds UNI.

The official was responding to an article published by the youth daily, KOMSOMOLSKAYA PRAVDA, which said Mr Yeltsin had decided to suspend the \$200-million deal on supplying cryogenic rocket booster engines to India for its satellite launch vehicles following pressure from the United States.

To a question, the official admitted that the presidential decision had been taken under duress from the United States which, he said, was threatening Russia with trade sanctions if the contract with India, signed in January, 1991, was not revoked.

A common criticism of the United States, offered by the Lok Sabha members who were speaking during zero hour, was that it wanted to police the world after the collapse of the USSR. Some members advised the Government to mobilize opinion in the Third World against U.S. designs.

The issue of U.S. pressure on Russia on the transfer of its rocket technology was raised in the House on soon as the day's proceedings began, with Mr George Fernandes (Janata Dal) demanding the suspension of question hour. Several Opposition members said the U.S. move had created a dangerous situation for India.

The issue was then discussed for more than 75 minutes after question hour when the Opposition demanded a special discussion and a statement from no less a person than the Prime Minister, considering the gravity of the issue and the fact that Mr P.V. Narasimha Rao was also the Foreign Minister now.

Mr George Fernandes, who spearheaded the attack on the United States, recalled that U.S. intentions about India had become evident after the publication of the Pentagon papers which sought to curb, through military action, if necessary, the so-called "hegemonistic" designs of India on its neighbours. Now the United States had told Russia that it should stop the transfer of its rocket technology to India or face sanctions. The United States had also put pressure on India against the sale of rice to Cuba.

Mr Fernandes feared that, in the present circumstances, Russia might not be able to resist the U.S. pressure. About 20 years ago, the United States had tried to bully India by threatening to send its Seventh Fleet to the Indian Ocean during the Bangladesh war. Now the

United States was telling India how the country should maintain its relations with its neighbours. While it accused India of nursing hegemonistic designs on its neighbours, the United States wanted to establish its hegemony over the entire world.

Mrs Geeta Mukherjee (CPI) said the United States wanted the Indian nuclear and space programmes destroyed. Looking at the "inimical" attitude of the United States, she urged the Government not to go ahead with any joint defence venture with the United States. The United States should not be given the facility to use the Andaman and Visakhapatnam ports.

Mr Jaswant Singh (BJP) [Bharatiya Janata Party] said his party was opposed to the creation of a unipolar world, as was being done by the United States. He wanted the Government to declare firmly that it would pursue its space, missile and nuclear programmes irrespective of the hurdles and difficulties created by any other country.

Mr Nirmal Chatterjee (CPI-M) [Communist Party of India-Marxist] condemned the "stony" silence of the Government in the face of such serious developments and wanted to know if any protest had been lodged with the U.S. Government.

Mr A. Charles (Congress-I) hoped that India would not yield to any pressure under any circumstance and would counter the U.S. moves. Another Congress(I) member, Mr Manoranjan Bhakta, and the former Speaker, Mr Rabi Ray (Janata Dal), saw India's prestige receiving a blow with the U.S. moves. Mr Ray said such programmes as the launching of Agni missiles would come to a stop.

The former External Affairs Minister, Mr Atal Behari Vajpayee (BJP), described the United States as the "supreme power" that wanted to run the world its own way. The U.S. policy on such matters as the NPT [Non Proliferation Treaty] was discriminatory. It had used the Security Council as a "tool" while seeking two Libyans involved in the bombing of a Pan Am flight in mid-air three years ago. The United States was aware of attempts by a neighbour of India to subvert the unity and integrity of the country, yet it put no pressure on Pakistan.

"If we raise our voice, the United States will listen. We should speak with one voice," he said. Mr Vajpayee spoke at some length about the NPT and how it was discriminatory. He said the United States spoke of a nuclear-free South Asia. But India wanted the whole world to be free of nuclear weapons.

Mr Inderjit (Congress-I) warned against any "knee jerk" reaction and urged a separate discussion. Mr Saifuddin Choudhury (CPI-M) felt the USA wanted its monopoly over everything. He noted that, inside Russia, too, there were protest voices against the U.S. moves. Asking the Government to mobilize the Third World, he wanted to know why the Government was keen on having a joint naval exercise with the United States and against whom.

Mr Chandrajit Yadav (Janata Dal) said the United States wanted to destroy the Indian research and development programme in the field of space technology. He accused the Government of giving an impression that it was ready to "surrender" before U.S. pressure.

Mr Chitta Basu (All-India Forward Bloc) saw no justification for carrying out a joint exercise with the U.S. Navy since India had never undertaken such a joint venture with the former USSR with which it had had close defence relations.

The former Prime Minister, Mr Chandra Shekhar (SJP) [Samajwadi Janata Party], criticized the Government for hiding facts from the House. He said that when he was in the United States recently, the Indian Foreign Secretary was asked by the U.S. Administration not to go ahead with the country's space programme. This information was not given to the members. Earlier, the U.S. trade representative had visited India and left after issuing a threat. There were times in 1963 and 1965 when the United States had wanted to forge some defence ties with India as a matter of "practice," but now such a tie would not bring any prestige to India.

The Minister for Parliamentary Affairs, Mr Ghulam Nabi Azad, assured the members that he would convey their sentiments to the Prime Minister.

U.S. Claim Reported

92AS0962C Calcutta THE TELEGRAPH in English
23 Apr 92 p 4

[Article by Seema Sirohi]

[Text] Washington, April 22—The United States tried to pressure Russia not to sell rocket technology to India because the technology reportedly falls under the Missile Technology Control regime (MTCR), according to a U.S. official. But Indian officials say it is because of U.S. commercial interests.

Commenting on reports that Washington prevented Russia from striking a deal with New Delhi, a state department official said simply: "This is our law." The so-called MTCR regime restricts sale of missile technology that would enable a missile to deliver warheads a distance greater than 300 km. Russia is not a signatory to the U.S. sponsored regime although it has pledged to abide by the guidelines. Indian officials deny that the rocket booster engines they want from Russia fall under MTCR restrictions.

In addition, the technology has no military application, according to an Indian defence analyst currently in Washington to attend the India-U.S. defence symposium. Several officials who are attending the symposium expressed concern at the move and some implied that the "club mentality" of preventing any developing country from acquiring sophisticated technology was once again in evidence. "They like creating clubs. And the MTCR is another club to which a certain kind of

countries can belong," said one Indian defence official. Another commented that Washington was playing world policeman while denying it officially.

The U.S. official declined to discuss in any detail the rationale behind the pressure on Russia. When asked if Washington would control any technology from exchanging hands even though it had no or little dual use, one official smiled and shrugged his shoulders. Another state department official said, "We have been discussing this matter with India and Russia for some time." There has been no official State Department reaction for two days.

Indian sources said that U.S. commercial interests were also a consideration in trying to prevent Russia from selling the rocket technology.

U.S. 'Arrogance' Alleged

92AS0962D Madras INDIAN EXPRESS in English
22 Apr 92 p 8

[Editorial: "Arrogance of Power"; quotation marks as published]

[Text] The United States' pressure on Russia not to supply rocket technology to India ought to greatly embarrass the advocates of military cooperation with that country. Whether they will actually feel embarrassed is another matter, though the U.S. action represents a brazen attempt to interfere with both Russia's and India's national sovereignty. If, as a result of the end of the Cold War, the U.S. has tended to see itself as the only victor then our policymakers have also contributed to this perception by prostrating before every U.S. demand. Be it the question of international trade and patent rights or of selling rice to Cuba, the argument given is that there is no option but to heed the U.S. advice. The United States today displays perhaps in an unprecedented measure what the late Senator William Fulbright described as "Arrogance of Power" in his book by that name. Not only military but cooperation with the United States in other areas too has come to mean only one thing—accepting Washington's terms. It is, therefore, remarkable that the Union Defence Minister, Mr Sharad Pawar, and the Foreign Secretary, Mr J.N. Dixit, want to continue to delude themselves about the supportive attitude of the United States towards India's security concerns even after their respective visits to that country. But they should not expect the people of this country to think similarly and accept without question their talk of a sea-change in Indo-U.S. relations—especially in the area of recognising India's security concerns. Monday's unroar in the Lok Sabha provided enough indication of that.

Even the Russians have admitted that the \$200 million contract between their space agency Glavkosmos and the Indian Space Research Organisation (ISRO) was for a technology that cannot be put to military use. The cryogenic rocket boosters, the technology for which the Russians were going to supply to India, have no military

use because the boosters have to be fuelled 90 days in advance. Besides, India had accepted all the obligations required for the transfer of this technology under the Missile Technology Proliferation Control Regime [MTPCR]. Why then the U.S. objection and the extreme threat of using trade sanctions against Russia if it went ahead with the deal? The answer is that the U.S. perception of India is entirely shaped by this country's refusal to foreclose its nuclear option and its pursuit of a missile delivery system. It is useless to talk of how the United States has not been able to prevent Pakistan from reaching the nuclear threshold or how the Nuclear Non-proliferation Treaty [NPT] or the missile control regime is discriminatory. By persistently not making its position on these two issues clear, in the eyes of the United States, India has put itself in the role of an errant schoolboy, who needs to be made an example of. Our policymakers have failed to seize the initiative in these matters and the United States now thinks that it is only a matter of time before India falls in line with its dictates. There are no prizes any longer for guessing whether India will attend a five-nation conference on nuclear nonproliferation or not. However, the least this country can do is to call off the Indo-U.S. joint naval exercises. Otherwise, pressure for surrender on all fronts will become unbearable.

Press Interviews Israeli Delegation Leader

Remarks to TIMES OF INDIA

92AS0847A Bombay THE TIMES OF INDIA
in English 26 Mar 92 p 13

[Article by Lalita Panicker]

[Text] Taking the first tentative steps towards re-establishing a relationship between India and Israel after 40-odd years of estrangement, Dr. Moshe Yegar, 52, Israel's deputy director general in charge of Asia, Oceania and Africa, is currently heading Israel's first official delegation to India. Urbane and articulate, Dr. Yegar wants to waste no time in regret and bitterness. In an exclusive interview with TOINS, Dr. Yegar spoke passionately about Israel in a changing world, its dreams and aspirations in the hope that people in India would have a more sympathetic understanding of his country.

"The process of peace is irreversible. Israel desires peace more than any country in the world. It was Israel that initiated the present peace plan. In fact, it was mooted by the prime minister, Mr. Yitzhak Shamir himself. To accuse us of stonewalling the peace process, as many have done, is unfair" he said.

Dr. Yegar is of the opinion that if the Palestinians were left to themselves without Arab hardliners breathing down their necks, the problems could have been sorted out long ago. The claims and counter-claims of both sides could have been reconciled. But for the moment, the peace talks are facing an obstacle in the shape of Syria.

Israel, Dr. Yegar said, has been extremely generous towards the Palestinians. It is willing to talk about autonomy and hopes its proposals will be taken seriously. However, he insisted that Israel will not talk to the PLO. Mr. Yasser Arafat is a non-factor and he and his PLO are irrelevant. They are terrorists who have too much innocent blood on their hands, he maintained.

"We are reasonable, but we cannot discuss land for peace. It has to be peace for peace. Israel is over homeland and parts of it were lost by the Arabs in a war of aggression begun by them. It is incorrect to talk about Arab land, such concepts are debatable," he declared.

He claimed that Israel is not at all anti-Islam. Muslims have been loyal citizens of Israel and Islam is respected as a great religion and civilisation. It is only those who wish to impose a war against Israel that meet the fate of Sheikh Abbas Musavi, the Hezbollah leader assassinated by Israel in Lebanon recently.

"It is tragic that his son died in the attack, but we verified all the terrorist activities organised by Musavi before we caught up with him. I would like to point out that we pinpoint targets, while the Arabs kill indiscriminately, planting bombs in synagogues and supermarkets," he said.

He regretted that though the world has changed, Arab attitudes had not. Even today, Jews cannot live in Arab countries, though the reverse is not so. If Jews are naturally attracted to Israel rather than integrate in the lands where they live, it is because they have always been treated as an unwanted minority.

This, he said, is one of the reasons for the wave of Soviet Jews coming to Israel. The other is the desire to go back to historic Jewish lands to which they have a sense of belonging. This is the essence of Zionism, he said.

He emphasised that Israel would continue to absorb Jews, whether Soviet or otherwise, despite the reluctance of the United States to part with \$10 billion in loan guarantees to resettle them. There can never be a time when Jews cannot come to Israel for lack of money. "We have lived through difficult times before. Even if we feel the pinch, we will never turn away Jews wanting to return. If the United States makes an issue over the loan guarantees on this count, well it is too bad," said Dr. Yegar. "The United States is our best friend but we will continue to do what is right."

In any case, Mr. Yegar added, nobody can put any pressure on Israel by withholding money on account of its building settlements or linking funding to the peace process. "We never surrender to pressure," he declared. On the controversy around the venue of the peace talks (Israel wants to continue them in West Asia while the Syrians prefer Washington) Dr. Yegar says it is illogical, even silly to hold them so far away. "We are too far from our decision-making authorities and, in any case, these are not peace negotiations with the United States," he said.

He supports India participating in the talks and credits Mr. Narasimha Rao for the turn of events that has put relations between India and Israel on an even keel. "He is a man not afraid to take bold, and at times, unpopular decisions. This is real leadership."

Talk With Newsmen

92AS0847B Madras *THE HINDU* in English
26 Mar 92 p 9

[Boldface words as published]

[Text] New Delhi, 25 March. Israel has agreed in principle that India should participate in the next round of West Asia peace talks.

This has been conveyed to the Government by the senior Israeli foreign ministry official, Mr. Moshe Yegar, who is currently here to open the first formal political dialogue for his country with India.

Mr. Yegar, who is the Deputy Director General in the Israeli Ministry of Foreign Affairs, told presspersons today that a reciprocal Indian official visit to his country was expected in a few weeks.

A more detailed discussion on Indian participation in the West Asia peace talks was slated for then, Mr. Yegar noted. He said he was also here in connection with establishing of his country's embassy for the first time in India. The Indian official team to visit Jerusalem would also be engaged in a similar exercise, he added.

There will be a "warm reception" to Indian presence in Israel, Mr. Yegar said and expressed the hope that the same would hold good for his country in India. The visiting official said he would return home in a few days "very satisfied" with the progress made in the new-found dialogue with India. The opening of dialogue reverses a policy of four decades.

Intelligence support: Answering questions, Mr. Yegar denied there was any talk between the two countries during his visit here on Israeli intelligence support to India to counter terrorism. He also noted that press reports here on the possibility of defence cooperation between the two countries were "exaggerated and distorted." He initially declined comment when asked if he had not met the Indian Defence Secretary, Mr. N.N. Vohra. Eventually, he confirmed the meeting by saying he had talked about the weather with the Defence Secretary. But he clarified that a relationship emerging out of a freeze needed time before sensitive matters such as defence or intelligence cooperation could conceivably be put on the talking table. "Nobody told us of Indian needs in the areas of defence," he added.

Mr. Yegar said detailed discussions were held between him and Indian officials on cooperation in agriculture development and research, especially arid zone agriculture. This was seen as a subject of importance by his country, Mr. Yegar suggested.

Air traffic pact: Negotiations have also been held so far on the signing of an air traffic agreement, on projects in the area of tourism, on cultural exchanges and on expanded commercial relations. Mr. Yegar said business ties between the two countries were being kept completely outside the pale of government. It would be up to business and industry to decide the level of involvement, he noted and announced that a delegation of Israeli industrialists was slated to visit India next week.

"We have to catch up on lost time," Mr. Yegar said and recorded that he had found officials as well as non-officials here very receptive. A very big potential existed for travellers, businessmen, tourists and journalists to visit each other's countries, the Israeli official observed.

The senior Israeli diplomat said he had called on the foreign Secretary, Mr. J.N. Dixit, and had held a detailed working discussion with Mr. I.P. Khosla, the Secretary (West) in the Ministry of External Affairs. It was a matter of satisfaction that both sides had agreed to build the new relationship in fields agreed on at a rapid pace, Mr. Yegar stated.

He has also met the Agriculture Minister and the Civil Aviation Secretary. Before returning home, Mr. Yegar hopes to call on the External Affairs Minister, Mr. Madhavsinh Solanki.

Asked if the Indian side had discussed the South Asian regional situation in talks (which would have implied talks on Kashmir, Punjab and Pakistan), Mr. Yegar answered in the negative. But he observed that from his side he had made stray references to his country's relations in southeast Asia. The Israeli official noted, however, that his discussions with the Indian side was not yet concluded.

He said India was held in respect by Israel as it was a big country which carried weight in international affairs. "If we ignored India so far, it was not our fault," he noted.

Details of Amnesty Report on Torture Revealed

92AS0928A Madras *INDIAN EXPRESS* in English
25 Mar 92 p 14

[Boldface words as published]

[Text] New Delhi—"Torture is pervasive and a daily routine in every one of India's 25 states, irrespective of whether arrests are made by the police, the paramilitary forces or the army," says Amnesty International in a new report on India, released on Wednesday.

The eye-opening report, entitled "India: Torture, Rape and Deaths in Custody," has documented the deaths of 415 people in the custody of the police and security forces since 1985, which it says are only a sample of the total. Amnesty estimates that many hundreds, if not thousands, have died in custody in India over the last decade.

According to Amnesty's findings, police officers were only arrested in 25 of these 415 cases, and criminal charges were brought in only 52 cases. Even though the Code of Criminal Procedure makes a magisterial investigation obligatory in all cases of death in custody, Amnesty discovered no more than 42 such magisterial enquiries among the cases documented by it.

Dismal record: Finally, in only three out of the 415 cases were officers known to have been convicted for murdering people in their custody—"a dismal record, compared to the scale of the problem," observes Amnesty. The report presents evidence that senior police officials, executive magistrates, doctors and state officials helped to cover up these crimes.

Only in "exceptional cases" have the courts acted to prevent torture, says the report, citing in particular the Guwahati High Court, which suspended five police officers from Tripura in July 1991.

The victims listed by Amnesty, including pregnant women and children as young as six, are nearly all poor and underprivileged—members of the scheduled castes and tribes, minorities, landless labourers and migrant workers. Compensation to the families was only ordered in 12 cases, and paid in only six, following protracted legal proceedings. The report notes that in the Rajan case, it took 14 years for the police to concede that the student had died in custody.

Brutal methods: The Amnesty report says that many of those tortured are suspended from ceilings in jail cells, beaten unconscious or given electric shocks, and whipped with leather belts. Others have been crushed with heavy rollers, stabbed with sharp instruments and have had chillies stuffed up their rectum.

The report, which begins with a statement from the late Rajiv Gandhi on a British TV programme, saying, "We don't torture anybody. I can be very categorical about that," severely indicts successive Indian governments for flatly denying torture, much less doing anything to stop it. It says that in response to 33 specific allegations raised by the UN Special Rapporteur on Torture, the Indian government either said they were "concocted," gave the police version of events, said the allegations were "under investigation" or gave no response at all.

Identifying the passivity of the government as a major reason why torture persists, the report highlights the government's failure to implement a 1985 proposal by the Law Commission that would facilitate the prosecution of those responsible for killing in custody, or to act on the "excellent recommendations" made over the years by the National Police Commission.

Criminal suspects, many for petty or even non-existent crimes ("moving about in a suspicious manner") form a large proportion of torture victims, says the report. However, it notes that torture is also widespread in areas where the government faces armed opposition—Jammu and Kashmir, Punjab, Assam and the northeast states,

and regions of central India where Naxalites are active. Rape, says the report, is a common form of torture.

'Systematic humiliation': The Amnesty Report says it is "impossible to gauge the true extent of torture" in Jammu and Kashmir, because of strict control by the security forces over freedom of movement and expression. However, it notes that rape is practised as part of a "systematic attempt to humiliate and intimidate the local population during counter-insurgency operations."

Highlighting the controversial Kunan Poshpora case, in which allegations of mass rape were levelled against the army, which was later exonerated by a Press Council of India team, Amnesty notes that the government has withheld the medical findings in the case, and the findings of the enquiry conducted by the divisional commissioner have not been published.

Citing several reported cases of torture in J&K [Jammu & Kashmir] (the reports are based on statements by journalists, doctors, et. al.), Amnesty says it knows of only two cases in which members of the para-military forces have been charged with offences constituting human rights violations, and no cases where members of the security forces have been convicted for torturing prisoners. The report also states that torture is widespread and confirmed in Punjab, too.

Father's fate: The agonised, wailing face on the cover of Amnesty report is that of Manoj Singh, 12. Manoj was arrested in August 91 on the suspicion of stealing a purse. His father Jairam Singh, a 50-year-old labourer accompanied him to a New Delhi police station and was allegedly tortured to death. There was no charge against Jairam Singh. A civil liberties team that examined Manoj after he was freed said his body was swollen and bore marks of severe beating.

An inquest was conducted into the death of his father and there were further enquiries by the Delhi police. But to date, says Amnesty, the three police officers arrested have not stood trial.

"The government claims that its legal systems, free press and civil liberties organisations are enough to deal with human rights violations. They are not," says Amnesty. "The government must first face up to the fact of torture, take concrete steps to stop it and show the political determination to make those measures work," it says.

Moscow Paper Sees Problems in Indo-Russian Ties

92AS0931A Calcutta THE STATESMAN in English
6 Apr 92 p 8

[Text] Moscow, 5 April—A popular Moscow-based weekly has claimed to be in the possession of documents which "cast shadow on the mutual ties with some of the Indian leaders," reports UNI.

The ARGUMENTY I FAKTY (ARGUMENTS AND FACTS), in its latest issue, has published the text of a

secret letter sent to the Communist Party of the Soviet Union Central Committee by the former KGB chief, Mr. V. Chebrikov in December 1985 asking for 320,000 roubles in foreign currency (\$500,000) at that time "for ensuring special actions and measures to consolidate the outcome of the official visit of Prime Minister, Rajiv Gandhi to the Soviet Union in 1986."

By the resolution of the CPSU Central Committee no. 11228/3 dated 20 December 1985 and the directive no. 2633RS dated 20 December 1985 of the USSR Council of Ministers, the amount was allotted to the 17th department of the first main administration of the KGB (Overseas Intelligence) dealing with India, the ARGUMENTY I FAKTY says.

In the same letter, written eight months after Mr. Mikhail Gorbachov assumed the top party post, Mr. Chebrikov says that beginning from 1971, the CPSU Central Committee had been allotting funds to finance "controlled media organs," Indian social organizations and individual politicians in India, who were used for various acts and to exert influence in favour of State interests of the USSR.

The KGB chief has also reported that the funds worth 320,000 roubles in foreign currency earmarked for the year 1985 by the CPSU Central Committee resolution no. 11187/220P dated 10 December 1985 have been fully utilized for the above said purposes.

Commenting on this, the weekly says: "We understand that in any country international activities are controlled by the intelligence services and our country is not an exception. But the involvement of the CPSU gives this problem a different "shade."

When contacted over the telephone, one of the officials of the weekly, refusing to disclose his name, said the documents in the possession of the "ARGUMENTY I FAKTY" related mainly to non-CPI [Communist Party of India] media and politicians.

Proceedings in Union Carbide Case Resumed

Warrant Against Anderson

92AS0932A Bombay *THE TIMES OF INDIA*
in English 31 Mar 92 p 9

[Text] Bhopal, 30 March—The Union government's will to prosecute the perpetrators of the biggest industrial disaster of modern times has been put to test by the non-bailable warrant issued against the then chairman of the Union Carbide Corporation, Mr. Warren Anderson, by the Bhopal chief judicial magistrate, Mr. Gulab Sharma, last week.

The order followed a request from the Central Bureau of Investigation to facilitate Mr. Anderson's extradition. Ironically, the request from the CBI [Central Bureau of Investigation] came just a few days after Dr. Chintamani Panigrahi, Union minister of state for chemicals and

fertiliser, told the Lok Sabha during question hour that the government had no desire of persecuting anyone in the Bhopal case.

Earlier, the Bhopal Gas Peedit Mahila Udyog Sanghatan had requested the intervention of the UN secretary-general, Mr. Boutros Ghali, for Mr. Anderson's extradition.

The criminal proceedings in the case, which has seen more than 4,000 deaths in the seven years since the lethal MIC [Methyl Isocyanate] gas leaked from the pesticide plant, have taken a backseat and compensation has been given precedence in the past. Now that the latter issue has been settled, the criminal proceedings have been revived.

The CBI lawyer, Mr. U.S. Prasad, has always been optimistic about bringing Mr. Anderson and the UCC [Union Carbide Corporation] to court whereas the Union Carbide of India Ltd. and other accused in the case have been keen since 1987 for delinking of their case from the main one so that the proceedings against them could be held separately.

A decision regarding the request for the extradition of a person wanted in criminal proceedings in the country is generally taken by the government after consultations with various ministries. As there is an extradition treaty between India and the United States, the U.S. administration will find it very hard to turn down an Indian request to hand over Mr. Anderson.

Under these circumstances, the ball is in the court of the Central government. The decision becomes all the more difficult because in the present climate of liberalisation when multinational investment is being sought, a request for extradition of a former chairman of an MNC [multinational corporation] could send wrong signals to the international business community. At the same time, any dithering would lend substance to the opposition allegation that the Rao government is not willing to enforce the law of the land when it comes to MNCs.

There is a strong impression that the UCC has been let off lightly by the Union government. A compensation of just \$470 million for a disaster of this magnitude is quite inadequate going by what American companies would have paid in their country.

Union Carbide India Questioned

92AS0932B Bombay *THE TIMES OF INDIA*
in English 7 Apr 92 p 13

[Text] New Delhi, 6 April—The supreme court today asked the Union Carbide India Limited (UCIL), a subsidiary of the multinational Union Carbide Corporation [UCC], to answer within two weeks the serious allegations made against it by the employees union, which has sought damages and compensation for a large number of UCIL workmen who have been suffering due to the management's apathy.

Mr. Justice M.N. Venkatachaliah and Mr. Justice R.C. Patnaik asked UCIL to reply to the allegations, including that it had been experimenting the effects of toxic chemicals produced in the Bhopal plant on the employees. The employees were being treated like guinea pigs, the petition added.

The Union Carbide Karamchari Sangh (UCKS) has sought disclosure of all the medical reports and correspondence that the Central Bureau of Investigation had seized following the 1984 disaster caused by the massive leakage of toxic MIC gas from the UCC's Bhopal plant. As many as 5,000 persons including children and women, were killed and thousands injured in the disaster eight years ago.

The UCKs has also urged the court to appoint a high-powered medical experts team to examine the health of UCIL employees engaged in producing lethal MIC and TOMIC gas. The medical experts should recommend proper treatment to the employees, who the petition said, were suffering from undetected diseases.

In addition, the municipal corporation of Bhopal should be directed to submit details about the animals who died after consuming the contaminated water discharged from the UCIL plant the petition said.

It was pointed out that UCIL's activities were in violation of basic human rights and fundamental rights guaranteed for the employees.

The employees union had been drawing the management's attention towards the serious lapses in the functioning of the plant, but all fell on deaf ears, it resulted in two serious accidents in 1981 and 1982 in which at least two employees were killed. Later, the worst disaster followed in 1984, the petitioner added.

Israeli Envoy on Defense, Kashmir, Mideast
92AS0939A Calcutta THE TELEGRAPH in English
10 Apr 92 p 1

[Article by Sankarshan Thakur. Words in boldface as published.]

[Text] New Delhi, 9 April—The Israeli charge d'affaires in India, Mr. Giora Becher, has virtually contradicted the defence minister, Mr. Sharad Pawar's statement on Indo-Israeli defence cooperation and said the issue is not on the bilateral agenda at the moment.

Calling it a low-priority area, Mr. Becher sought to underplay defence-related aspects of the fledgling Indo-Israeli relations and said in an interview, "We do not think it is the right time for discussing such issues (as defence)." Reminded about Mr. Pawar's recent statement that defence-cooperation would be a key area between the two countries, Mr. Becher said, "I know. I read and remember what he said. If you have any question to ask him on this, you can ask him. According to us, this is not the time for discussing such issues."

Mr. Becher, who has been charge d'affaires in India since 1989 and was closely associated with efforts leading to the establishment of diplomatic relations in January, went on to suggest that in the initial phase of the relationship India and Israel would do better to concentrate on less controversial areas. "We must not forget that we have had no contact for the last 40 years and we shall first have to overcome this absence of contact. That is why we must first go into areas which are of mutual interest and where we can show results quickly," Mr. Becher said.

Sources in the Indian government, however, maintain that defence is one of the sectors in which India is seeking Israeli cooperation. New Delhi is particularly keen on gaining insights into anti-terror and anti-insurgency methods employed by Israeli forces.

Kashmir issue: Mr. Becher was also non-committal on the Kashmir issue and would not spell out his government's stand. Describing it as a "hypothetical question," Mr. Becher said the matter had not come up in talks held so far and sought more time for a response. "We will be able to give our own perspective on the matter only after we officially hear the Indian government's position. We have not reached that stage yet," he said.

With reference to the Palestinian issue too, Mr. Becher said India and Israel had entered into a relationship "without any strings attached" and felt it was for the Indian government to find a balance between the two interests. "From our point of view, it is by establishing diplomatic relations with us that India is restoring balance because for all this while you had contacts only with one side in the conflict," Mr. Becher argued. On his government's behalf, he said the Israelis had put no conditions on India's future relationship with the Arab world.

The Israeli envoy did not comment on whether the Indian side had expressed any apprehensions about Jewish settlements in the West Bank and the future of the Palestinian people during the negotiations leading up to the formal establishment of ties.

Mr. Becher struck an optimistic note on the future of Indo-Israeli relations, all the same, and said the initial round of talks in New Delhi last month had been very encouraging. He also said the visit of the Israeli trade delegation had been very fruitful and that collaboration opportunities had gone beyond the expectations of the visiting Israeli businessmen.

Indian team in Israel: Referring to the ongoing process of talks, Mr. Becher disclosed that an Indian official was in Israel at the moment making a return visit for the one made by the deputy director general of the Israeli foreign office, Mr. Moshe Yegar, last month. Apart from holding preliminary talks with the Israeli government, the team will also lay the groundwork for opening an Indian mission in Tel Aviv. The first Indian ambassador to Israel is likely to be posted by May.

Abstention From Vote on Libya Explained

92AS0930A Calcutta *THE TELEGRAPH* in English
6 Apr 92 p 4

[Article by Sankarshan Thakur; boldface, italicized words as published]

[Text] New Delhi, 5 April—India declined to vote for comprehensive sanctions against Libya at the United Nations recently because of the refusal of the permanent Security Council members to extend similar measures to Pakistan which, Indian contends, is shielding terrorists.

India's abstention on the vote is part of the strategy to manoeuvre international support for action against anti-India offenders as well as to get Pakistan blackballed for harbouring terrorists.

Policy shift: Significantly, India's stand does not stem from any ideological support for a third-world/Arab country like Libya, like it used to be earlier. From all available indications, India was quite ready to vote for sanctions against Libya, if only they covered Pakistan as well. India's preparedness to vote against Libya is prompted not only by the latter's repeated support to Pakistan-sponsored resolutions on Kashmir in the Organisation of Islamic Countries (OIC) [as published], but also because of the general pro-U.S. tilt in Indian foreign policy.

Cuban case: It is for similar reasons that another old ideological ally, Cuba, has been given short shrift by New Delhi in recent times. India has not only recently scrapped an offer to sell them 10,000 tonnes of rice, the Cubans' welcome in India too has been noticeably scaled down.

Sanctions against Libya have been imposed for Col. Muammar al-Gadhafi's refusal to turn over the two accused for the Lockerbie air crash. India argues that Pakistan is also sheltering some of those involved in Air India's *Kanishka* crash in 1985. The aircraft blew up over the North Sea close to Cork in Ireland killing all on board.

Well-placed sources here explained that by refusing to fall in line with Western powers on Libya, India hopes to rope in their support for more broad-based sanctions against all offenders. "There is definite concern in the West on the rise of terrorism and we only feel that this should not be country-specific but extend to all who aid and abet such tendencies," the sources said.

Arguments on these lines, the sources pointed out, had already been relayed to Western powers, particularly the United States and the UK, through India's mission at the United Nations and through the embassies in the respective capitals.

The sources added that of late the United States and the UK had been sympathetic to India's case against Pakistani encouragement to terrorism and had conveyed their unhappiness to Islamabad on the issue. Further

pressure, like the kind exerted by India's non-cooperation on the anti-Libya vote, will help turn the Western powers round, it is felt.

INTERNAL AFFAIRS**CPI(ML) Holds First Public Rally**

92AS0973A Calcutta *THE STATESMAN* in English
23 Apr 92 pp 1, 3

[Text] The failure of the Left Front Government was adversely affecting the Socialist movement in the State and the Marxist theory was under a cloud because of its distorted application, Communist Party of India (Marxist-Leninist) [CPI-ML] Liberation, (Vinod Mishra Group) leaders said during a rally at Esplanade East on Wednesday. The CPI(M-L) Liberation celebrated its 24th foundation day and the rally marked the end of its 24 years of underground existence.

Wednesday's meeting was the party's first public rally since its inception. The proceedings began with an oath-taking ceremony in which members pledged to uphold the Marxist-Leninist path and fight those who were trying to bring about its downfall. Underlining the significance of its coming out in the open, the party leaders said the need for a united movement of all Leftist forces was deeply felt and in the present sociopolitical context, the party felt the necessity to eschew violence.

Mr Shankar Mitra, a Politburo member of the CPI(M-L) Liberation and president of the Indian People's Front, West Bengal State Committee, explained that the CPI(M) was yet to spell out clearly the reasons behind the downfall of the Socialist system in the USSR and eastern Europe. The CPI(M) had always supported the militarization of the Soviet economy and its race as a superpower. China was able to keep itself away from this race and had successfully avoided breakdown of Socialism, Mr Mitra said.

Speakers pointed out that the CPI(M) in its recently-concluded party congress, abstained from making any adverse comments regarding the IPF [Indian People's Front] and voiced the need for Left unity. The IPF or the CPI(M-L) Liberation was in favour of such unity and the theory of a "Left confederation was floated by the IPF. But the CPI(M) was setting various preconditions, thereby jeopardizing the move. The leaders observed that there should be no preconditions for such unity.

Leftist factions should be allowed independence and, at the same time, fight together on various issues. In West Bengal there might be differences, but vast terrain, particularly in North India, was wide open for Leftist parties to launch their programme.

That the CPI(M) was committing many tactical blunders apart from its failure to run the Government properly it was evident from the fact that communal forces such as the BJP [Bharatiya Janata Party] had made deep inroads in West Bengal. On the national scene, the secular front

set up by the Left-Janata combine also proved futile and the BJP, which captured power in Uttar Pradesh, had become the largest single Opposition party in Parliament.

Even though the procession, taken out by the CPI(ML), threw Calcutta's traffic out of gear for several hours on Wednesday afternoon, many pedestrians complained that they suffered more due to an unusual behaviour of the processionists.

The CPI(ML) activists did not allow the pedestrians to cross the road through the gaps between the marchers, as was often done on such occasions. To add to the miseries of the people, many of the processionists wielded lathis to scare pedestrians intending to cross over.

Posts for Scheduled Castes, Tribes Recreated

92AS0976A Bombay THE TIMES OF INDIA
in English 25 Apr 92 p 15

[Text] New Delhi, April 24—The government has recreated two secretary-rank posts barely a month after they were abolished in pursuance of its austerity policy.

The finance ministry passed the orders two days ago approving the recreation of the two posts of special commissioners for scheduled castes and scheduled tribes.

These posts were abolished on March 12, when the office of the commissioner for SCs [Scheduled Castes] and STs [Scheduled Tribes] was placed in the constitution by the more powerful national commission. The notification of March 12, based on the 65th constitutional amendment, ended a 14-year anomaly of two bodies serving the same purpose.

But the finance ministry has since had to agree to the recreation of the two posts.

What is more ironical, these posts have been recreated in spite of vehement opposition from the commission to which they have been attached.

The commission wrote to Mr Rao a fortnight ago urging him to drop the proposal to revive the posts of special commissioners.

The letter alleged that the motive behind the revival was only to "provide berths" to Mr S.P. Bagla and Mr Lalkhama, both IAS [expansion not given] officers of the 1959 batch, who have been without any posting since the abolition of the commissioner's office.

The welfare ministry is in fact said to be in the process of reappointing these very officers to the recreated posts.

The six-member commission asserted in its letter to the Prime Minister that there was "no need or scope" for these additional posts, especially since it already has a secretary who is of the rank of secretary to the Central government. The commission's secretary, Mr N.S.Choudhary, is also an IAS officer of the 1959 batch.

Since there would be no work for the special commissioners, the commission said it would not like to bear the heavy expenditure to their salaries, personal staff, telephones, staff cars and the like.

Besides, it urged Mr Rao to "appreciate that no addition or abolition of posts nor postings and transfers in the commission should be made without consulting it as the commission is the best judge of all such matters."

The commission is upset over the fact that while the posts of special commissioner are being imposed on it, the government has disregarded its request for more middle-level staff—field, research and administrative—in keeping with its enhanced powers and functions.

On the contrary, the government abolished 31 posts from the commission the very day it was conferred a constitutional status. And despite a promise in Parliament to merge the organisation of the commissioner with the commission, none of the staffers from the commissioner's office have been posted to the commission.

The commission's chairman, Mr Ram Dhan, warned the welfare minister, Mr Sitaram Kesri, in a letter on March 31 that an impression was gaining currency that the commission's powers had increased only on paper as the government was not providing it with the "necessary wherewithal to discharge its functions."

The commissioner's office had over 40 years acquired the greatest expertise and the richest store of records on the subject of SCs and STs. None of these has yet been made available to the commission, which is already inundated by petitions and representations from all over the country, according to Mr Ram Dhan's letter.

Bofors Affair Continues To Raise Questions

Review of Events

92AS0954A Calcutta THE STATESMAN in English
22 Apr 92 p 1

[Article by C.R. Irani, in Berne: "Note Is From P.M., Solanki Told Swiss"; first paragraph is THE STATESMAN introduction]

[Text] Damning evidence has now surfaced in Switzerland clearly suggesting that Mr. Solanki did not act alone. The day before the note was handed over lawyers for the recipients of the pay-offs tell the Geneva Court about it and obtain an adjournment, Mr. Solanki tells his counterpart that the note comes from the Prime Minister, Mr. Rao, the Swiss authorities convey this to the CBI [Central Bureau Of Investigation] on March 23, the Prime Minister is informed the same day or the next day but the response to the Swiss Government is not sent until the debate in Parliament eight days later. We are now better able to review the sequence of events.

Any day now the Court in Geneva is expected to decide whether to continue the freeze on the investigation or to take up the process of handing over the tell-tale Bank documents to the Indian authorities. It was over two years ago on January 23, 1990 that the Geneva Court first brought the investigation to a halt on the ground that the legal process had not been exhausted in India. The so-called public interest petition filed by H.S. Chaudhuri was in the court of Mr. Justice Chawla of Delhi High Court at the time. The clumsy attempts of the judge to put a spoke in the wheel, days before his retirement from the bench, was severely criticized by the Supreme Court as "convoluted reasoning." In his unspeakably partisan behaviour Mr. Justice Chawla seems only to have remembered that he was once a member of the legal cell of the Congress(I). Justice Chawla's court was also the forum where the Additional Solicitor-General, Mr. K.T.S. Tulsi, appearing for the CBI, insisted on arguing the brief of the other side. He was not alone. His performance was applauded by his Law Minister, Mr. Subramaniam Swamy, who went so far as to upbraid Mr. K. Madhavan for preventing Mr. Tulsi from betraying his brief. The public outcry forced Mr. Tulsi to retire from the case but he continues as an Additional Solicitor-General.

The Supreme Court undid the mischief of Mr. Justice Chawla and on August 27, 1991 held that the CBI's FIR [First Information Report] was valid, the Letters Rogatory were valid and the investigation should proceed in accordance with law. Within 2 weeks comes a second petition on the same grounds from Mr. Win Chadha in Delhi High Court this time before a Division Bench of Mr. Justice M.C. Mittal and Mr. Justice Satpal. The petition is filed on September 9, 1991 and admitted the very next day without notice to the CBI or to the Union of India. We are likely to hear a great deal more of the Win Chadha petition and the other important dates to note are:

- October 24, 1991: CBI files counter affidavit.
- December 4, 1991: Last date for filing Win Chadha's Rejoinder at latter's request.
- January 21, 1991: Final hearing.
- January 21, 1991: Chadha Rejoinder filed with the caveat that there are mistakes which will be corrected later. Matter adjourned without fixing another date for final hearing.
- April 1, 1992: Lok Sabha debate where Prime Minister forced to promise better handling of case.
- April 2, 1992: CBI files special petition asking for early hearing.
- No contest on behalf of Win Chadha.
- April 24, 1992: Final hearing.

These dates tell their own story. The failure of those behind Mr. Win Chadha to file a rejoinder by the date fixed at his request is not taken up, the matter is allowed to be adjourned indefinitely and the CBI's conduct in filing a petition for early hearing a day after the debate in Parliament clearly suggests that there has been a drastic change and a change for the worse in the CBI's attitude

recently. The official now in charge of the investigation, Mr. R.C. Sharma, is also the one handling the case of forgery in the St. Kitts affair.

The proper approach in the Chadha matter was to seek a hearing immediately after the CBI's counter affidavit was filed on the short point that the questions raised in the petition have already been answered by the Supreme Court and in the event of Delhi High Court insisting on hearing the matter at length to approach the Supreme Court promptly under Article 139A of the Constitution to take the matter to itself and quash it peremptorily and without wastage of judicial time. By contrast the CBI seems in no hurry to have the matter disposed of and the Additional Solicitor-General, Mr. Altaf Ahmad, either has no proper instructions or does not see why he should exert himself while his clients show no particular interest in the case. It is entirely possible, on the record so far, that Mr. Ahmad's effective instructions will be to emulate Mr. Tulsi's performance in the earlier petition. Only this time there will be no equivalent of Mr. K. Madhavan to ensure that the CBI and the Government are not exposed to contempt and ridicule. The view from Switzerland as of last week is equally alarming. On January 31, 1992 the Geneva court postpone the hearing again. They are told by lawyers appearing for the beneficiaries of the Bofors pay-offs that their papers are not ready and that "some note is expected from New Delhi." So, with a day to spare, lawyers acting for the other side have knowledge that Mr. Solanki is bringing a note and they are confident that this will help their clients against the Government of India. But the Prime Minister would like us to believe that it was only a scrap of paper handed by one individual to another.

No third person is present when Mr. Solanki hands the note to Mr. Rene Felber, the Swiss Foreign Minister, but Mr. Felber has recorded that Mr. Solanki said it was from the Indian Prime Minister, Mr. Rao. Mr. Felber's English is not very good and he records that he doublechecked this with Mr. Solanki. Mr. Felber repeats this statement in a communication to the Swiss Federal Police who have the responsibility of honouring the Letters Rogatory issued by an Indian court seeking assistance. It is further repeated in a communication from Switzerland to the CBI dated March 23, 1992. The CBI Director, Mr. Vijay Karan, continues to act under pressure but he is not incompetent and he is certainly not a fool. It is safe to assume that when this faxed letter was brought to him he would have rushed to the Prime Minister to report that according to the Swiss authorities Mr. Solanki handed over the note on behalf of the Prime Minister. Now anyone can quote anyone's name in vain. But here is a foreign government whom India has asked for assistance in a criminal matter, which is told that the Prime Minister of India is a party to the request that the investigation be stalled and which is now asking for an explanation.

There is no outrage in Delhi, no reassuring statement to the Swiss Government at the political level that the information is false, no attempt to pin down Mr. Solanki

for having used the Prime Minister's name in vain, in fact no reaction whatsoever except that within the CBI not the Director, not the Joint Director in charge of the investigation, Mr. R.C. Sharma, but two junior officers write separate letters restricting themselves to expressing the continued "interest" of the Government of India in the investigation. There is not even a statement on behalf of the Prime Minister that he repudiates the suggestion of his involvement with Mr. Solanki as false. There is only silence until Parliament forces a reluctant Prime Minister to promise action on April 1, 1992. A further letter from Switzerland dated April 8, 1992 seeking clarifications over the Win Chadha petition remains unanswered.

In these circumstances, no one should be surprised if the Geneva court's verdict expected any moment now is to keep the investigation in limbo until India makes up its mind what it wants, and the accounts which were frozen under Article 18 of the Swiss law dealing with assistance in criminal matters, are released and the beneficiaries of the illegal pay-offs laugh their way to the bank.

All eyes must now turn to Delhi High Court on April 24, where the performance of the CBI, the Additional Solicitor-General, Mr. Altaf Ahmad and of the Government of India as a whole will be closely monitored.

Rao Denial

92AS0954B Bombay *THE TIMES OF INDIA*
in English 22 Apr 92 pp 1, 13

[Text] New Delhi, April 23. The Prime Minister, Mr. P.V. Narasimha Rao, asserted in the Lok Sabha today he had nothing whatever to do with the note handed over by Mr. Madhavsinh Solanki to the Swiss government. "I neither had knowledge of the note nor did I authorise its handing over to the Swiss foreign minister," he added.

The Prime Minister's firm denial that he was not a party to mounting pressure on the Swiss authorities for soft-peddling the Bofors investigation took the wind out of the sails of the opposition, which had yesterday stalled proceedings of the house for the better part of the day by charging the government with complicity in hushing up the scandal.

In an emphatic statement made immediately after the question hour, the Prime Minister repeated what he had said about the note controversy following Mr. Solanki's resignation earlier this month. He said he was not at all aware of the note passed on to Mr. Felber, the Swiss foreign minister, by Mr. Solanki and therefore the question of his involvement in the sordid affair did not arise.

The Prime Minister said while he was of the view that an unauthenticated newspaper report ought not to require a discussion, denial or rebuttal, he would still like to say something more in view of the passions exercised over the subject in the house yesterday. "There would have been no need for all the fuss had I made my stand clear yesterday. But unfortunately due to the visit by a foreign

dignitary I could not do so. Anyway I shall set the doubts at rest now," the Prime Minister added.

Clearly, the government had won the day. But after the Prime Minister's reply to most of the points raised by the opposition yesterday, Mr. George Fernandes (JD) [Janata Dal] and Mr. Jaswant Singh (BJP) [Bharatiya Janata Party] made what looked like determined attempts to pick holes in the government's statement. But the debate instead of shedding more light on the Bofors case involved members on the treasury and opposition benches in acrimonious exchanges with Mr. Mani Shankar Aiyar repeatedly raising his voice to demand an apology from Mr. Fernandes for what he called his "intemperate" remarks against the Prime Minister yesterday.

There were points of order and interventions by the leader of the opposition, Mr. L.K. Advani, and other opposition leaders, including Mr. Indrajit Gupta and Mr. Ram Vilas Paswan. The Congress members charged the opposition with launching a vilification campaign against the government through questions put to the Prime Minister after he had made his statement. Agitated Mr. Buta Singh went to the extent of suggesting to the speaker, Mr. Shivraj Patil, to "declare the proceedings not for the press" because, he said, the debate was becoming one-sided.

The speaker again and again impress upon the opposition leaders not to exploit the opportunity for asking the Prime Minister questions on his statement to make harangues against the government. But his plea fell on deaf ears. For quite some time until the proceedings settled down to a normal routine the house witnessed a crossfire of charges and counter-charges.

Earlier, in his statement the Prime Minister said the newspaper report referred to a sequence of events that allegedly took place during Mr. Solanki's visit to Switzerland in February. "I wish to make it clear that there has been no communication from the Swiss government making any reference to any note. The reference in the newspaper report to a communication from Switzerland to the CBI [Central Bureau of Investigations] dated March 23, is in fact a reference to a FAX message from CBI's lawyer in Switzerland, Mr. Marc Bonnant, in which there was a reference to a memorandum having been handed over to Mr. Felber by Mr. Solanki.

"This communication was received by the CBI on March 24 and was seen by its director on March 25. The lawyer, Mr. Bonnant stated that he was told that the memorandum handed over by Mr. Solanki was at the request of the Prime Minister. The CBI promptly replied to Mr. Bonnant on March 26 and denied any knowledge of the alleged memorandum.

The CBI reiterated that the Swiss authorities should pursue the inquiries without taking cognisance of the said memorandum. It will there be seen that the letter of March 23 was from counsel to client and the client had promptly repudiated the alleged memorandum."

The Prime Minister said the newspaper had also referred to a lack of response on the part of the government on the handing over of the unauthorised note. "I should like to remind the house that during the debate and particularly my own reply I had strongly repudiated any suggestion that the note was sent either by the government or with my knowledge. We informed the house of the communications sent by the CBI to the Swiss authorities on March 24 and 26, reiterating our request for legal assistance. Besides, another official communication was also sent to the Swiss government within hours of the closure of the debate pointing out that the note handed over to Mr. Felber was not authorised and should not affect in any manner the pending request for assistance. There is no question of the government or the CBI not having reacted adequately or appropriate to the situation," the Prime Minister stated.

The CPI [Communist Party of India] leader, Mr. Indrajit Gupta, said it was puzzling the government which claimed to pursue the Bofors investigation case with diligence had failed so far to establish identity of the lawyer who had handed over the crucial note to Mr. Solanki shortly before his meeting with the Swiss foreign minister. The lawyer could not have disappeared into thin air.

When Mr. Gupta suggested that it was perhaps one Mr. Pinaki Misra, the lawyer, who handled cases of the famous Chandraswamy, the Prime Minister rose to intervene and said, this was the first clue he had got about the lawyer and now the government would pursue it.

General Rodrigues Seen as Politically Overactive

92AS0865A Varnasi AJ in Hindi 5 Apr 92 p 7

[Editorial: "General Rodrigues Transgressed Limits of Military Rights"]

[Text] The highest military officer of the Indian armed forces, General Rodrigues, has become the subject of a lot of discussion recently. He gave an interview to a Delhi newspaper in which he made some statements which, according to some people and legislators, he should not have made. Gen. Rodrigues was accused of saying all this at the behest of the U.S. Defense Department (the Pentagon). A heated argument was started in the Indian Parliament over his statement. When Defense Minister Sharad Pawar could not think of an answer, he gave a rather naive excuse to stop this argument. Nonetheless, what has happened has happened, and one thing is clear: Gen. Rodrigues must learn how to control his tongue.

The most important aspect was that the suddenness with which this argument started was seen in its end also. Perhaps the legislators wanted Defense Minister Sharad Pawar to say something and would have been satisfied with whatever he said. It appears that both the majority party legislators and those belonging to the opposition party wanted to close this issue as quickly as possible.

Actually, Gen. Rodrigues tried to get the attention of the legislators in order to tell them that the army was watching them and their politics very closely. Perhaps he also wanted to let them know that no person in the country should make the mistake of thinking that the army was neutral and apathetic about the country's problems, and that it would not change its attitude.

As stated earlier, this issue erupted very powerfully and quieted down even faster. Perhaps this is a peculiarity of the Indian legislature's mentality. This illness of implusivity and superficiality has spread throughout all our ranks. No one has any time to analyze incidents and situations. The patience required for such analysis is totally absent. If the Parliament does not finish its work in a hurry, then the progress of a large country like India will be totally stopped! Taking care of all responsibilities in a hurry is something it must do. God knows how many unnecessary cases have been loaded on the legal system. Even people who are very serious often make inferences in a hurry even though those inferences are superficial.

The way Gen. Rodrigues praised the Indian armed forces in his interview, called it an "ocean of quality," and hinted about its neutrality in the political process has relieved the people. They have begun to feel that a man, even though he is the highest officer in the Indian armed forces, is speaking from the heart. When they heard a high-ranking official speak negatively of the politicians who have forced the nation to the door of bankruptcy because of their inefficiency and ignorance, it must have made them feel very good. Perhaps no commander in chief has ever said before that soldiers could take the responsibility of giving a good government to our country.

Gen. Thamiya had to resign, not because he said something, but because he could not get along with then-Defense Minister Krishna Menon. Prime Minister Jawarhalal Nehru had supported Krishna Menon in this issue. After Nehru's death, some British newspapers published news about the possibility of some Indian armed forces officials who were thinking about filling the political void in India. However, Lalbahadur Shastri took over Nehru's seat without any problem, and all these misconceptions were put to rest. The fact is that the Western mentality had been wrong about such prophecies about India not once, but many times.

Western observers are amazed, and at other times very disappointed, at the fact that the army does not take steps to take over a problem-ridden country like India. What is the inherent quality or strength of Indian society that forces its army to give up these efforts? All in all, why has there never been a military coup in India, while this has happened in other countries repeatedly? Why is the army sitting quietly in a country that is fighting innumerable complex problems? It can be considered another wonder of the world that the democratic system is still alive in India. India still is the largest democracy in the world, even today.

Even being in the same subcontinent, India did not become Pakistan, nor did it ever follow Bangladesh. No other country can equal India in having so much diversity in language, culture, and religion. These cultural differences are found in the Indian Army also. Still, an unseen thread has tied them all into a deeply felt tolerant society. India has the special quality of integrating all kinds of differences in its society. Perhaps that is why we have been able to protect our democratic system.

It should be known that not all levels of the armed forces have supported Gen. Rodrigues' comments. It is true that just like civilians, military personnel are also angry at the politics, politicians, and legislators. However, they have never thought seriously about military officers and troops taking part in the political process. It is possible that Gen. Rodrigues' comments were not political. Perhaps he was trying to outline the fact that the Indian armed forces have no interest in politics, and that the army would be no less responsible in running the government if necessary.

The political neutrality of the Indian Army makes India very special among third world countries. There is no doubt that India faces a great number of difficult problems. Our politicians commit not only minor but also major blunders. Corruption is widespread in our society, and nepotism is practiced everywhere. However, political awareness has always increased. In this situation, it is not possible that what Gen. Rodrigues said was exactly what he meant. Perhaps there is some idea in his brain which would come out if he got the support of all ranks in the armed forces.

The fact is that there have been 90 military coups in 50 different countries. Incidentally, all of these took place in Third World countries. The story of prosperous and industrialized nations like Great Britain, the United States of America, Australia, and European countries is totally different. There has never been any fear of military interference in these nations, and there does not seem to be any possibility of such an occurrence in the future. The simple reason for this is that the people there strongly believe in the democratic system being the best political system. The citizens of these countries will never approve of military rule. After these, there are countries where politics have deep roots in the culture. In places where the people are spread out and have problems, they still manage to support the political institutions, in spite of the pettiness of politicians there. This special quality has protected India's parliamentary democratic system. Common problems are not seen as a decisive threat to democracy. India falls into the second category of countries. The third category is composed of those countries where even the elected governments have to depend on the armed forces for their existence. Pakistan and Bangladesh are in this category.

How did the armed forces in Pakistan, Bangladesh, and other Third World countries succeed in taking over the government? What were the reasons for the armed forces' interest in taking over the government. There are

two reasons behind this. The politicians did not have any clear goals about social regulation, and there was a crowd of ambitious officers in the armed forces. The second reason was that the doors for peaceful change in the society and in the constitution were closed and could not be opened, even with force. None of these factors are present in India. Our armed forces were never given the opportunity to harbor such ambitions. We have a clear goal of social regulation, even though there are a million flaws in it. In addition, the governments of our country have changed peacefully, and the doors of democracy were never closed.

If we do not read Rodrigues' comments too closely, it seems that our armed forces are apathetic about the politics and government of our country. There seem to be no military officers who have political ambitions. There was a time when there were some misunderstandings in India. When Gen. Ayub Khan took over Pakistan's Government, some intellectuals in our country began to feel that military officers would prove to be more honest, hard working, and efficient, as compared to inefficient politicians. But Ayub Khan proved these intellectuals wrong. In a short time, he was proven to be extremely inefficient and corrupt. He established a reign of terror in his country. Incidentally, his successors proved to be even more corrupt and more inefficient than him. He was corrupt from top to bottom, and he totally destroyed the character of Pakistani society through his influence. The last dictator of Bangladesh, Gen. Hussein Mohammed Ershad, was punished for serious corrupt actions. These examples illustrate that the inefficiency of military rule is common knowledge.

The news filtering from New Delhi suggests that President Ramaswami Venkataraman, commander in chief of the three military divisions, is very unhappy with Rodrigues' open comments. It was learned that the central cabinet had decided to adopt a strict position about it. Gen. Rodrigues could have been removed from his position; however, the cabinet members changed their position later. There were two reasons for this. There would not have been an appropriate reaction in the three divisions of the armed forces. In addition, perhaps the people might also have declared the government action unfair and made it a political issue.

The fact is that regardless of how much noise was made in the Parliament over Gen. Rodrigues' comments, most legislators feel that if Gen. Rodrigues was removed from his present position or if other punitive actions were taken against him, then he would have become a national hero overnight. The time when people like Krishna Menon could take to task a veteran military officer like Gen. Thamiya are long gone. Politicians were highly respected in Indian society at that time. Only a couple of politicians from then have been condemned. Times have changed now; the people have developed a hatred and anger towards the whole political system. A nationwide plebiscite was taken recently in France on this issue. According to the results, the people had more respect for

prostitutes than they had for politicians. If such a plebiscite were taken here, the results would be almost the same as those in France.

The truth is that if the armed forces take over the responsibilities for protecting national values the way Gen. Rodrigues believes they should, it will never succeed in its effort. The army is never aware of many important aspects of life. Our present social ills, flaws, problems, and drawbacks can be alleviated only through a political and democratic process. There is no short cut to the resolution of public problems and the democratic process. By nature, it is a slow process. Sometimes one gets fed up with it. One has to face many disappointments in this process. However, the mantra from the Riga Veda can always show us the true path.

The person sitting in the president's chair is the symbol of our national unity, and even being the first citizen is controlled by many democratic restrictions. The Constitution does not allow him to make comments openly or force his personal opinion. However, there are some ways through which the president can suggest methods of running social and political lives more efficiently. For example, Mr. Venkataraman has expressed some very important ideas about improving the election process and curbing the leaders' tendency to change parties. Venkataramana has also told the people that hankering after positions in a democratic process is the most damaging thing in a country. He also suggested that politicians who change parties for position should be banned from public office immediately. Such suggestions seem to be very impractical; however, in the long run, they will have a very positive influence on the people.

Nonetheless, a general in the army should not try to tell the country that it is the duty of the armed forces to be responsible for a government. There is no doubt that Gen. Rodrigues made many questionable comments in his interview. In a democratic system, a bureaucrat or an army officer should not have such freedom. For example, Gen. Rodrigues said, "If it is decided that we can establish a good government while remaining within our set limits, then we will definitely do it. If we have to cross our limits, then we will break them in order to ensure the establishment of a good government system."

There is no doubt that Gen. Rodrigues has crossed the boundaries of a military officer by making these comments. In our country, the president is the protector of the Constitution and the highest commander of the three armed forces divisions. As long as this position is established under the present Indian Constitution, political statements issued by a military officer would be considered as crossing the boundaries of protocol. India has seen what happened in Pakistan, Bangladesh, and other countries with "lower levels of political heritage." It has seen how military rule has destroyed these countries and their social structures. We are not ready to conduct such an experiment in India, and we will not let such an effort

be successful. The ills and weaknesses of the democratic process can be handled through the democratic system only.

Editorial Expresses Hope in Solving Punjab Terrorism

92AS0863B Varnasi AJ in Hindi 8 Apr 92 p 4

[Editorial: "Military Self-Surrender: A New Turn"]

[Text] The incident involving the surrender of 40 terrorists in Punjab is tied to new hopes and possibilities. In Amritsar's playground of Tarantaran a ceremony was arranged, in which the surrender in front of a large number of armed forces hinted at a new environment in Punjab. This incident is the first of its kind in the state, and we should welcome it. It is even more agreeable that these young terrorists made this commendable decision after parents and relatives talked to them. These young people, who were led astray by Pakistani terrorists, have relinquished a life of violence and terrorism, and this is a great development. It will also inspire other terrorist youths in the state and will help to free them from this life of bloodshed and treachery to their country. We hope that the government of Punjab and the police administration will encourage these youths and make efforts to help these youths start new lives. This encouragement should be so impressive that it inspires other wayward youths to work for the reconstruction of Punjab. Instead of calling it a ceremonial gathering, we should call it the beginning of new tendencies for new creative activity.

Last December, the campaign for "second defense" was started in Punjab. As a result, the strategy for bringing the terrorists to the path of peace was implemented. The hard work of military officials led to the decision by terrorists belonging to various groups to join the mainstream of the nation and start a new life. The role of the army was not limited to suppression and torture; instead, it was successful in bringing the terrorists around. This can be understood by the fact that 25 of the 40 terrorists who surrendered belonged to hardcore groups and were associated with various crimes. Nine of these terrorists were members of the Bhindranwala Tigers Force, and eight of them were members of the much-feared Khalistan Commandoes. The remaining were active members of the Khalistan Liberation Force and Khalistan-Dashmesh Regiment. We can easily assume the pleasant environment that was created when these dangerous terrorists surrendered and their parents expressed their joy by embracing them. This should be considered a historic event in Punjab's history and an incident in which the bright future of the state is hidden.

Mr. Beant Singh, chief minister of the state, said that the government would initiate a major campaign against terrorism and separatism in the near future. After the budget session, all of the Cabinet members and legislators of Punjab will travel all over the state to help stop terrorism. In this campaign, they will inform the rural people of the dangerous results of terrorism, Khalistan,

and separatist policies. He emphasized that Pakistan was encouraging terrorism in Punjab and demanded that the border of Punjab be fully sealed. He said that the association between various criminal organizations and the terrorists who want to establish a Sikh nation is a very serious development. Work to stop the murders of innocent persons should be accelerated on a war footing. The chief minister showed a peace-loving and creative policy by inviting all Akali Dals and terrorists to talks. Punjab has been the land of the brave. The sacrifices made by Sikh gurus to protect the Indian civilization are written in golden letters in the history of India. Therefore, Akalis and all terrorists should take the path of peace and cooperation and start a new chapter.

Further Reportage on CPI National Congress

National Council Elected

92AS0963A Madras *THE HINDU* in English 17 Apr 92
p 4

[Quotation marks as published]

[Text] Hyderabad, April 16—Election of new office bearers was the last exercise for the CPI [Communist Party of India] comrades as their party's week-long congress ended here today.

But the exercise was not completed, with only the national council being elected. The new general secretary, the national secretaries and the central executive would be decided tomorrow. While the election of the general secretary will be a mere formality as it has been already decided to elect Mr. Indrajit Gupta for a second term, there could be a few fresh faces in the executive, though no dramatic changes are expected.

The new national council has 31 new full members in a 126-member team. Against the mandatory provision that 20 per cent of the members must retire at each congress, 25 per cent did. But if the candidate members and those of the central commission are also included, the strength of the council goes up to 149 and with these two categories accounting for 11 new faces the overall change exceeds 30 per cent.

'Rationalised': The composition of the national council has been 'rationalised' a bit by reducing the party centre's quota of full members and distributing the 'surplus' among other units. The party centre now has 25 full members as against 31 in the outgoing set-up. Its share of candidate members and the control commission has also been reduced by two and one respectively.

Only one new full member—Ms. Tara Reddy, general secretary of the National Federation of Indian Women [NFIW]—has been inducted at the party centre.

While much of the old guard remains intact, some senior leaders have sought retirement inasmuch as they have told the party that they are not interested in holding any post. They are Mr. C. Rajeswara Rao, Mr. Rajsekhar

Reddy, Mr. Jagannath Sarkar, Mrs. Perin Romesh Chandra, Mrs. Parvathi Krishnan and Dr. Z.A. Ahmed.

All documents adopted: The leadership today looked back with satisfaction at having been able to conduct the show without a major hiccup. All six documents—the political review report, the political resolution, the programmatic statement, the resolution on the developments in the Soviet Union and Eastern Europe, the preamble to the constitution and the organisational report—were adopted without much difficulty after rejecting most of the amendments. The few which were accepted were described as 'not substantive' by the party spokesman.

Five documents were adopted unanimously. There was voting only on the political review report but only six delegates voted against it.

The differences over certain issues, however, remained and one that provoked a sharp controversy was the definition of the character of the Indian State. Delegates wanted the party to take a stand on where it stood vis-a-vis 'national democracy' and 'people's democracy' in the Indian context. The party decided to discuss the issue further before committing itself.

The concluding phase of the congress saw delegates virtually vying with one other to respond to the general secretary's appeal to collect rice for Cuba. What began with an appeal for collecting a 'fistful' of rice from each Indian ended up with commitment to send 500 tonnes.

[Text missing] said he would seek the cooperation of other Left parties and democratic forces in organising the struggle which would involve gheraoing offices, staging dharnas and courting arrest.

He ridiculed the statement of the Union Finance Minister, Dr. Manmohan Singh, that people would have to suffer for two or three more years more, after which prices would come down. The Congress(I) in its manifesto had promised to bring down prices within 100 days of coming to power. "Instead, prices have gone up a hundred times. How can this Government bring down prices when it is hand in glove with hoarders and blackmarketeers," he asked.

The CPI [Communist Party of India] leader accused the Narasimha Rao Government (whom he repeatedly referred to with the prefix "pandit") of surrendering to the World Bank and the IMF [International Monetary Fund] on the advice of the "great disciple" of these institutions, Dr. Manmohan Singh. He declared that his party would strongly resist any move to close down factories in the name of losses as workers would be thrown out of jobs. While his party was not opposed to change or reforms, it would never allow India to become a hunting ground for multinationals. The Congress(I), he said, had departed from the Nehruvian line but it never tired of repeating his name.

BJP [Bharatiya Janata Party] flayed: Mr. Gupta as also other CPI leaders who spoke after him criticised the BJP for "stoking fires of communalism" and resolved to protect the secular character of the Constitution. He said the CPI would approach all political parties which believed in secularism and democracy to forge a broad united front against communalism.

The former CPI general secretary, Mr. Chandra Rajeswara Rao, said the BJP's adamant stand on Ram Janmabhoomi had not benefitted the people even an iota. On the other hand, there was every danger of India losing the goodwill of Muslim nations. He said the Left parties would support the Congress(I) in any concrete action.

General Secretary, Central Executive

92AS0963B Madras *THE HINDU* in English 18 Apr 92
p 4

[Text] Hyderabad, April 17—Mr. Indrajit Gupta, MP [Member of Parliament], was unanimously reelected general secretary of the CPI [Communist Party of India] by the party's new national council at a meeting here today.

This will be the second term for the 73-year-old leader who took over the party's reins from the ageing Mr. Chandra Rajeswara Rao at the Calcutta congress of the party three years ago.

The national council also elected a 31-member central executive committee, including 10 new faces, but it failed to elect the central secretariat as no conclusion could be reached on the ongoing debate in party fora whether to retain or jettison this tier of the three-tier set up.

Members: The following are the newly-elected members of central executive: Messrs Indrajit Gupta, M. Farooqi, Avatar Singh Malhotra, N.E. Balaram, Chaturanan Mishra, A.B. Bardhan, Homi Daji, Promod Gogoi, Ram Avatar Sharma, Suraj Prasad, Mrs. Gita Mukherjee, Ram Sajivan, Pyara Singh Deosi, N. Giri Prasad, Y.V. Krishna Rao, G. Yellamanda Reddy, M.S. Krishnan, P.K. Vasudevan Nair, Loknath Choudhary, Pauly Parakkal, Mrs. Vimla Farooqi, J. Chittaranjan, Dasari Nagabhushan Rao, R. Nallakannu, D. Raja, Mitrasen Yadav, Atul Kumar Anjan, Irabot Singh, Suraj Narayan Singh, Nanda Gopal Bhattacharjee and Kamalapati Roy.

The central control commission of the party elected Mr. Phani Bora as its chairman, in which capacity he becomes member of the executive committee.

Briefing presspersons, a party spokesman said the national council had decided that existing members of the central secretariat would continue to function till the next meeting of the council which would be held within two months. Apart from Mr. Gupta, these members are Messrs M. Farooqi, Avatar Singh Malhotra, N.E. Balaram, Chaturanan Mishra, A.B. Bardhan, Homi Daji and Promod Gogoi.

Four programmes: Answering questions, the spokesman said the party had decided to take up four immediate programmes—solidarity with Cuba, observing 1992-93 as the year of struggle for land in rural areas and struggle against the Centre's economic policies and against communalism.

Asked about the principal achievements of the six-day party congress which concluded on Thursday, he said unanimity within the party was a striking feature. Five of the six basic documents of the party were approved unanimously after rejecting the non-official amendments. Equally important was the emergence of young people who spoke incisively and forcefully on key issues.

To another question, he said there was no hardening or softening of the CPI's stand towards the ruling Congress(I). The party had merely invited Congressmen to join it in the fight against communalism.

Party Problems Noted

92AS0963C Madras *THE HINDU* in English 18 Apr 92
p 4

[Text] Hyderabad, April 17—With the re-election of Mr. Andrajit Gupta as party general secretary for a second term here today, the CPI [Communist Party of India] leadership has come through the first round without suffering many bruises. But now begins the second, more decisive, round which would require the party to virtually rebuild itself and follow up the "soul-searching" at the congress with concrete action.

The immediate problem, as repeatedly highlighted at the congress, is organisational and unless it is sorted out no amount of image reconstruction is likely to help according to observers. The party is facing a serious leadership crisis and insiders say that any delay in resolving it would be "suicidal."

Resistance: The "top" is not only too heavy but also too old and the "consensus" to retain it with only cosmetic changes was not as easy as it appeared from the official press briefing. There was considerable resistance to the idea of persisting with the same team, especially after the erosion in its credibility over the developments in the former Soviet Union. If the issue was not pressed beyond a point, it had much to do with the problem of finding suitable successors.

The discussion on the organisational report was marked by a sharp criticism of the party's failure to develop a second line of leadership and the senior party leader, Mr. N.E. Balaram, who wrote the report in fact led the criticism. He underlined the need to make a "conscious and consistent" effort to build up a younger leadership. Several young delegates pointed to the "generation gap" in the party and said this had seriously affected communication between the top leadership and the rank and file. The two did not speak the same language, they pointed out.

A half-hearted attempt to reorganise the organisational structure by trimming the size and clout of the secretariat was given up after strong opposition from an influential section of the old guard which controls the secretariat. Quite possibly, the change may not have made much difference but as some delegates pointed out in informal discussions it would have at least indicated that the party was willing to change.

Abrupt break: Politically, the party has decided to follow a realistic approach but in the process it has tended to depart from perspectives which it so passionately defended in the past. The decision to embrace mixed economy, stress its commitment to Indian "heritage" and culture and point out the virtues of religion is seen as an abrupt break with its very recent past.

The congress revealed serious differences on some of the policy changes and the fact that the delegates were eventually persuaded to endorse the official line does not mean that the differences have been resolved. Two issues which generated a great deal of controversy were the party's support to the National Front Government along with the BJP [Bharatiya Janata Party], its decision to continue its alliance with it, and the revised line on the Mandal Commission's report.

Attitude to Congress(I): There was some ambiguity about the party's attitude towards the Congress(I) and it took the leadership considerable effort to clarify that it had no intention of moving closer to the ruling party even as it "welcomed" Congressmen in helping it form a platform against communalism. The strong criticism of the Government's new economic policies was cited as "proof" of the party's intentions. A section within the party, however, still favours more friendly ties with the Congress(I) arguing that it represents a secular and democratic culture.

As the delegates returned home today, there was an overall sense of relief among the leaders that the official line eventually carried the day. Critics within the party, however, cautioned against complacency and said the leadership would have to work very hard if it really meant business.

Bihar Government Seen Facing Threats of Removal

92AS0863A New Delhi JANSATTA in Hindi 13 Apr 92
p 12

[News Report: "Janata Dal Endangered by Internal Strife"]

[Text] New Delhi, 12 April—Because of the unrest caused by Janata Dal activities in Bihar and Orissa, the party could be destroyed. The Janata Dal has been reduced to these two states. On Wednesday, the Political Affairs Committee (PAC) will discuss these issues.

The situation of Mr. Biju Patnayak, Orissa's chief minister, is related to principles. He has not only refused to

implement the recommendation made by the Mandal Commission, but also wants to provide benefits to those classified as scheduled castes who have incomes of less than 25 rupees. In this context, he has testified in the Supreme Court. Mr. Ravi Rai and Srikant Jaina, members of the Orissa Janata Dal, and leaders of similar clout have raised this issue in the meeting of the legislative council. For V.P. Singh, who sacrificed the government over principles, this is not a common challenge.

Biju Patnayak sent replies to Prime Minister P.V. Narasimha Rao's 29 October and 24 December 1991 letters on 25 December 1991. A summary of these letters was distributed in the chief minister's conference on 10 April. It said, "An income ceiling must be established to determine economic backwardness. Keeping in view the present period of inflation, I would recommend that a family's income from all sources be limited to 25,000 rupees [as published]. I would like to suggest that this income limitation be implemented on SC (scheduled castes) and ST (scheduled tribes)."

Meanwhile, Bihar Chief Minister Laluprasad Yadav and Chairman Ramsunder Das are finalizing their strategies to throw each other out. The chief minister proposed the fourth name for the state's party chairmanship before returning to Patna. This name is Chander Dev Verma. The reason for this recommendation is that the legislators will be satisfied because of Mr. Verma's socialist background. However, many of Laluprasad Yadav's supporters do not agree with him over it. They say that they agree only to throw him out.

Who will replace Ramsunder Das as chairman? They are asking the election commission about this. President Somappa Rayappa Bommai and legislative council leader V.P. Singh have been told repeatedly about it. They say that the way the voters council was established when Mr. Bommai was made president should be emulated now. The supporters of Mr. Das also say that not only the regional president but also the chief minister should win the confidence of the voter council.

Laluprasad Yadav went to see Mr. Bommai on the 11th instead of on the evening of the 10th. Meanwhile, Mr. Bommai talked to Ramsunder Das in Patna over the telephone. He advised him on keeping peace and reconciliation. According to our sources, Ramsunder Das replied that he would not turn back from where he currently is. He said that they could remove him if he wanted to. The signature campaign in Patna to remove Mr. Das will now take momentum.

The chief minister, after seeing his condition weakening, is trying to bring socialist Janata Party State Chairman Raghu Nath Jha and his eight legislators into the Janata Dal. Mr. Raghu Nath Jha has tried to join him; however, Janata Dal National Secretary General Hari Kishore Singh, who was born in the same region, is not ready for this.

More than half of the legislators who are dissatisfied with the Janata Dal are trying to challenge Laluprasad's

leadership in the party. According to our sources, 50 of the 122 legislators have already signed. In the final phase, some veteran leaders might also come out.

In any case, after Laluprasad Yadav's four days of running around in Delhi, the high command is in control. Knowing V.P. Singh's style, we are expecting that because of his habit of keeping such a situation in limbo, the talks about establishing a voter's commission might drag on.

Nagaland People's Council To Merge With Congress(I)

92AS0938A Madras *INDIAN EXPRESS* in English
8 Apr 92 p 12

[Text] New Delhi—The Nagaland People's Council (Progressive) [NPC(P)] formed by several legislators belonging to the NPC government headed by former Chief Minister Vamuzo has decided to merge with the Congress (I).

A resolution to this effect was adopted at the party's general convention held on 5 April at Dimapur.

A delegation of the leaders of the NPC(P) met AICC(I) [All India Congress-1 Committee] general secretary in charge of the Nagaland affairs here on Monday and handed over the resolution.

This was announced by the NPC(P) president and former minister Tiamaran and two other former ministers in a statement here on Tuesday.

The delegation claimed that 11 former MLAs [Members of the Legislative Assembly] belonging to Vamuzo's NPC were with them. Nagaland PCC [Pradesh Congress Committee] president and former chief minister S.C. Jamir accompanied the delegation.

Their joining the Congress would strengthen the party not only in Nagaland but also in the Centre.

A report from Kohima earlier said a resolution, unanimously passed by the NPC(P), stated that the one-and-half year rule under the leadership of Mr. Vamuzo had led the state to 'economic chaos and total bankruptcy beyond redemption,' the report said.

The NAGALAND POST, the state's only daily reported that the NPC(P) had merged with the Congress-I under the leadership of Mr. P.V. Narasimha Rao to "salvage the hope and aspirations of the Nagas."

The NPC(P) resolution also accused the state governor, DR. M.M. Thomas, of being partisan by "favouring one individual and neglecting his constitutional responsibility," it said.

The resolution sought the removal of the governor for having "denigrated the institution," the report said.

CPI-M Politburo Flays Tripura Faction

92AS0937A Bombay *THE TIMES OF INDIA*
in English 9 Apr 92 p 7

[Text] Agartala, 8 April—The official faction of the Tripura CPM [Communist Party of India-Marxist] headed by Mr. Nripen Chakraborty and the party's politburo appear to be set on a collision course following the latter's scathing indictment of the state party unit for major ideological deviations.

The politburo's assessment of the affairs in the state, finalised in a recent four-day meeting of the party central committee, was conveyed in a letter to the party secretariat.

Sources in the CPM said that the letter asserted: "In the history of the CPM, the state unit in Tripura is the only one which is consistently opposing the central committee's political line and ideological principles." Giving specific details, the letter said that during the brief 11-month rule of the National Front in Delhi, the Tripura unit demanded President's rule. This was contradictory to the party's central line. The party's general secretary, Mr. E.M.S. Namboodiripad, was then constrained to intervene and placate the recalcitrant Chakraborty faction.

The Chakraborty faction was also accused of courting the Tripura Upajati Juba Samiti (TUJS) for a political alliance. The "crass opportunism" shown in trying to form a coalition government with the TUJS in February has also come in for sharp criticism. The letter pointed out that the CPM had considered the TUJS as having a "secessionist" and "communal" bias. To seek an alliance with the TUJS was therefore opportunistic, the letter said.

The politburo has also criticised the official faction for marginalising various mass fronts.

The politburo has urged the official faction to re-establish unity by trying to win back those who had deserted the party ranks.

The politburo's letter, which is a vindication of the dissidents' stand has evoked hostile reactions from the Chakraborty loyalists. While some like Mr. Manik Dey, Mr. Samir Chakraborty and Mr. Keshav Mazumdar described the letter as an "uncalled for interference," a majority of the members demanded discussion on it. Mr. Chakraborty, however, said the letter was based on a misinterpretation of the situation.

The next CPM state committee meeting on 25 and 26 April has been fixed to discuss the politburo's letter. Meanwhile, CPM sources said that the Chakraborty faction was preparing to vindicate its stand.

Dissidents in the party have in a letter urged the party general secretary, Mr. Harkishen Singh Surjeet, to find a solution to the crisis.

Rajya Sabha Polls Increase Congress-I Strength

92AS0837A Madras *THE HINDU in English*
25 Mar 92 p 1

[Quotation marks as published]

[Text] New Delhi, March 24. The Congress-I won six of the nine Rajya Sabha seats in five States that went to polls today, increasing the party's strength in the House by 11.

Nine candidates had already been declared elected unopposed from Andhra Pradesh and Kerala on March 16, the last date for withdrawals, and five of them belonged to the Congress-I. The Congress-I bagged all the four seats in Karnataka, one out of two in Assam and the sole seat in Tripura.

Among today's winners is the Union Minister for Personnel, Mrs Margaret Alva, who gets her fourth term in the House from Karnataka. Two former Chief Ministers, Mr Sudhir Ranjan Majumder of the Congress-I and Mr Vizol of the Naga People's Council, entered the House from Tripura and Nagaland respectively.

The sole seat in Himachal Pradesh went in favor of the State BJP [Bharatiya Janata Party] chief, Mr Maheshwar Singh, who defeated the CPI [Communist Party of India] candidate, Mr K.K. Kaushal, who was backed by the Congress-I, Janata Dal and SJP [Samajwadi Janata Party]—PTI

Parliamentary Panel Visits Disputed Temple Site

92AS0936A Calcutta *THE TELEGRAPH in English*
8 Apr 92 p 1

[Article by Sajeda Momin]

[Text] Ayodhya, 7 April—After an on-the-spot inspection of the Ram Janmabhoomi-Babri Masjid site, the majority of the 35-member fact-finding team came away dissatisfied with the Uttar Pradesh government's explanation on demolition of the small temples in the disputed complex.

The joint delegation comprising members of Parliament and the National Integration Council (NIC) was of the opinion that the state government had violated court orders in their recent actions.

The Janata Dal president, Mr. S.R. Bommai, who led the delegation, said they would be submitting a full report to the Union home minister, Mr. S.B. Chavan, in the next couple of days. However, the delegation was unlikely to suggest any action and would leave that to the Union government.

[According to PTI reporting from New Delhi, Mr. Chavan has convened a meeting of the joint delegation tomorrow to apprise himself of the situation.]

Arriving by two BSF [Border Security Force] planes, the delegation was briefed at the airport on the state government's stand by the state minister for energy, Mr. Lalji Tandon. A document outlining these "myths and realities" was also distributed by the minister.

This was followed by an hour-long tour of the disputed area after which the delegation returned to Faizabad for a closed-door question-answer session with the two representatives of the state government, Mr. Brahmdukt Dwivedi, revenue minister, and Mr. Tandon.

Heated exchanges took place during the session mainly over the validity of the state government's claim that the small temples were demolished to provide facilities to pilgrims.

The main argument was that since the High Court had passed only an interim order on the acquisition of 2.7 acres of disputed land around the shrine and had allowed temporary construction for parikrama facilities, the state government did not have the right to remove permanent constructions as the issue was sub-judice.

While the state government in its document maintained that the High Court had given permission to remove all or any construction of the acquired land, Mr. N.D. Tiwari pointed out the inherent contradiction in it.

He said in the document the state government had quoted the Supreme Court verdict of 15 November 1991, which rules that even if the constructions may be a part of the acquired land under the disputed acquisition, nothing should be done to interfere with the existing constructions.

Parikrama facilities for pilgrims can certainly be provided as permitted by the High Court but full attention should be devoted to ensure that the standing constructions, including the outer wall, must not be interfered with in any manner, the court ruled.

"This clearly showed that the state government has violated the court orders," Mr. Tiwari said.

The state government was again put in a tight spot when the delegation wanted to meet the mahants of the demolished temples. Mr. Tandon said the mahants could not be traced since yesterday. Soon after, Mr. Sharad Yadav contradicted the minister and said he knew the whereabouts of one of the mahants. After sometime his followers produced Mahant Raj Mangal Das of Sumitra Bhavan.

The mahant said the district administration had forced him to sign deed papers and that no compensation or land was given to the owners of the demolished mandirs.

Syed Shahabuddin questioned the state government as to why no repair work had been carried out on the mosque structure even though there was a court order directing the government to do so.

The delegation has requested the Uttar Pradesh government to hand over all relevant documents on the court orders and site plans.

Papers Discuss, Detail Solanki Resignation

Discussion in Parliament

92AS0935A Bombay TIMES OF INDIA in English
1 Apr 92 pp 1, 15

[Italicized words as published]

[Text] New Delhi, 31 March: The minister for external affairs, Mr. Madhavsingh Solanki, has resigned following charges that he had sought to influence the Bofors scandal probe by handing over a memorandum to the Swiss foreign minister, Mr. Rene Felber, during a recent visit to Switzerland.

The President, Mr. R. Venkataraman, has accepted the resignation of Mr. Solanki on the advice of the Prime Minister, Mr. P.V. Narasimha Rao.

A. Rashtrapati Bhavan communique issued tonight said the Prime Minister would look after the portfolio of external affairs.

Mr. Solanki's resignation was announced in Parliament after the determined opposition had raised a storm of protest, demanding his resignation. The Union home minister, Mr. S.B. Chavan, told the Rajya Sabha that Mr. Solanki had resigned. A similar announcement was made in the Lok Sabha by the minister for parliamentary affairs, Mr. Ghulam Nabi Azad.

The agitated opposition literally forced the government to announce Mr. Solanki's resignation by threatening to move a censure motion against the external affairs minister. Had the censure motion been put to vote, as the leader of the opposition, Mr. L.K. Advani, wanted, the government would have easily lost, as the number of ruling party members present in the house was much smaller than the combined strength of the opposition.

In a desperate bid to retrieve the situation, Mr. Azad quickly rose to his feet and said in view of the adamant attitude of the opposition leaders he could not withhold from the house the news that the minister for external affairs had already quit. Mr. Azad said Mr. Solanki had met the Prime Minister this morning and handed in his letter of resignation.

But, even after the minister's head had rolled over the Bofors issue, the opposition was far from satisfied in both houses of Parliament. Demanding an explanation from the Prime Minister for the embarrassment caused to the country by the minister's misdemeanor, the entire opposition, later in the afternoon, staged a walkout from the Rajya Sabha. While a demand for a firm commitment by the Prime Minister that Mr. Solanki's resignation would not be kept in abeyance and immediately

forwarded for acceptance by the President was supported by the entire opposition in the Lok Sabha, only the BJP [Bharatiya Janata Party] walked out of the house when the government failed to give any satisfactory reply.

Following Mr. Solanki's candid confession in both houses yesterday that a memorandum given to him by an unidentified lawyer 45 minutes before his meeting with the Swiss foreign minister on 1 February, in Davos, Switzerland, had been passed on to the Swiss government, the opposition had come prepared to demand his head.

Even before the opening question was asked during the question hour in the Lok Sabha, Mr. Vasudev Acharya, Mr. Nirmal Chatterjee of the CPM [Communist Party of India-Marxist] and Mr. Srikant Jena of the Janata Dal JD demanded that the Bofors issue be discussed in house. Fortunately for the government, Ms. Krishna Sahi, a Bihar congress MP [Member of Parliament], who was equally agitated over the breakdown of law and order in her state, succeeded in diverting attention from Bofors and said a discussion on Bihar should have priority. The speaker ruled that both issues would be taken up after the question hour.

However, this only gave a brief respite to the government. For, as soon as the zero hour began, agitated opposition members rose up in a body to protest against Mr. Solanki's conduct in accepting a memorandum from an unknown lawyer and then without question or examination of its contents passing it on to the foreign minister of another government. Either the minister was too naive or under too much pressure to commit this kind of shocking folly which could only make the country a laughing stock, the agitated members said.

While pressing for admission of the censure motion against the minister, submitted earlier in the day, Mr. George Fernandes (JD) entered into a heated argument with the speaker, Mr. Shivraj Patil. The speaker maintained that he had not seen the motion and even if he had seen it, it could not be admitted under the rules. The Janata Dal leader stuck to his guns that his motion was very much in order and in support of his convention recalled that in 1968, a censure motion had been admitted against Mr. Morarji Desai, and before that against the late Mr. L.N. Mishra and also against Mr. Charan Singh.

The socialist leader said Mr. Solanki had no business to be in the government after what he had done. Not only he, but also the Prime Minister would have to go for collective responsibility was the basis of the cabinet system of government. Any minister abroad was not a representative of his party alone but a representative of the whole country. The minister had sought to act as a conduit for those who were already arraigned in a court of law.

Mr. Fernandes said after admitting in both the houses of Parliament what he had done, Mr. Solanki had no moral

or constitutional right to be a member of the government. His censure motion could be rejected only if the minister or the government had made amends for the self-confessed sins. He challenged the speaker to give any cogent reason for rejecting his motion.

The speaker asked Mr. Fernandes to exercise restraint in his utterances. He said while he was not against the discussion of any issue in the house, he could not throw the rule book overboard in order to accommodate an opposition member. However, the speaker said in view of the concern expressed by members in the house, he would allow Mr. Fernandes as well as other members to say a few words on the issue and urge them to keep their powder dry for a full discussion on Bofors in the house tomorrow.

The former prime minister, Mr. Chandra Shekhar, said the government was behaving as if the country was its private *jagir*. Every day, democratic conventions were being violated. The most astounding thing was that the government had the cheek to come to the house without announcing the resignation of the minister. The Prime Minister had gone to the extent of saying that he was not responsible for the minister's conduct, he charged.

The CPM leader, Mr. Somnath Chatterjee, was puzzled about the identity of the lawyer who had met Mr. Solanki and handed him the document in question. Who had introduced the lawyer to the foreign minister? Was it Win Chadha or Hinduja, the CPM leader asked.

The leader of the opposition, Mr. L.K. Advani, said the casual way the government was treating the whole issue was amazing. The government ought to have realised the gravity of the situation and instead of merely saying that it would reply to the opposition charges during the Bofors debate tomorrow, something reassuring should have been done today itself. In the circumstances, he was left with no alternative but to support Mr. Fernandes' censure motion, he said.

The opposition benches said the resignation had confirmed their apprehension that the government was trying to interfere in the investigation of the Bofors gun deal. The entire opposition demanded that Mr. Rao should himself come before the house to clarify the issue.

The leader of the BJP party, Mr. Sikandar Bakht, insisted that the government concede its involvement in impeding the Bofors probe and choose a punishment for itself. He said the government, and not only the external affairs minister, should have resigned. "We want to know the contents of the note passed on by Mr. Solanki to the Swiss authorities," he said.

Mr. Gurudas Das Gupta (CPI) [Communist Party of India] said Mr. Solanki had been made a "scapegoat." The government had a collective responsibility and the Prime Minister must clarify the situation, he added. Mr. M.S. Gurupadaswamy (JD) maintained that a new chapter had been added to the Bofors case. "We want to know the whole truth," he demanded.

Test of Note on Bofors

92AS0935B New Delhi INDIAN EXPRESS in English
2 Apr 92 p 1

[Article by Prabhu Chawla with Chitra Subramaniam; boldface words, quotation marks as published]

[Text] The fatal memo that knocked out its bearer former foreign minister Madhavsingh Solanki is a clumsily drafted brief of a muddled and pretentious defence lawyer. It argues for the suspension of investigation into the Bofors case by the Swiss authorities. The unidentified lawyer, like the unidentified recipient of bribes in the howitzer gun deal, leaves marks of nervous reasoning burdened with guilt. The memo leaves no one in doubt that the anonymous author is an Indian. He cites Indian case-law only as an Indian lawyer could have. He argues that the Swiss authorities should not proceed with the investigation until the Delhi High Court decides on the petition filed by Win Chadha.

The lawyer is presumptuous on many counts. He states that the Swedish government had closed the Bofors case. He believes that the Swiss investigative authorities are ignorant about the status of the cases pending before Indian courts. And he even dares to explain to the Swiss officials their own legal norm of 'dual criminality.' However he admits that the allegations about the taking of bribes in the Bofors deal has led to the downfall of "Mr. Gandhi's government, although nothing could be established in Sweden, both the government and the Bofors have closed the case." (sic)

The memo is a garbled version, and it should have occurred to the clients, who expose their implication in the Bofors bribe scandal, that their cause could not have been served by a draftsman who is so confused about the political and legal aspects of the case.

Following is the text of the murky memo (without corrections):

The Indian government has presented a request for mutual assistance to Switzerland on 23 January 1990 in the Bofors matter.

This request is based on allegation of bribes (sic.) in the Bofors transactions.

Although an enquiry took place in India, such allegations could not be proven and it has been said that the request for mutual assistance was based on political reasons. These allegations caused the fall of Mr. Gandhi's government, although nothing could be established in Sweden both the government and Bofors have closed the case.

The enquiry opened in India led to several proceedings in India, where the validity and legality of the request for mutual assistance have been challenged before the Indian courts.

This matter is still not resolved in India and one party Mr. Chadda has filed a petition before the Delhi High Court which will have to decide whether the Indian request for mutual assistance is valid or not under Indian law.

Until a final decision is issued by Indian courts on that issue, no further steps should be taken in Switzerland in this matter.

It has to be noted that in Sweden both Bofors and the government have closed the case.

It is one of the conditions of the mutual assistance between India and Switzerland that before any assistance is provided, the condition of dual criminality must be satisfied. It, therefore, follows that the question whether a criminal offence has been committed or not in a particular given case has to be established before an Indian court as well as before the Swiss judicial authority. The issuants of the letter or rogatory by the special judge has been challenged in the petition under Article 226 of the Constitution of India by one of the persons named in the FIR [Fist Information Report] of the case and the High Court being a superior court to the special judge. It cannot be assumed by the Swiss courts that the first prerequisite of criminality in India has been established and that they were free to proceed in matter without pronouncement on merits of the result of the High Court litigation. In case the Swiss authorities overlook this aspect of the matter, it will be in gross violation of the mutual assistance in criminal matters. As a matter of fact, every accused has a right to exhaust his all remedies in India before the rogatory can be acted upon in an outside country (Switzerland).

In this connection it is necessary to refer to a traditional pronouncement of the bench of the High Court in India about the effect of an issue of rule nisi in a writ in FIR 1951, Madras, page 1044 and 1045, para 3 it has stated as follows: "we are clear, however that s 20 applied to this case because we agreed this Mr. Ramachandra Rao that the appeal preferred to the subordinate judge must be deemed to be pending so long as the application to quash the order is pending in Swiss court." In Halsbury laws of England, volume 9, page 838 (sec. 1420), the nature of a writ of certiorari is thus set out, "the writ of certiorari issues out of a superior court is directed to the judge or other officer of an inferior court of record. It requires that the record of the proceedings in some court depending before some inferior court shall be transmitted into the superior court to be there dealt with in order to ensure that the applicant for the writ may have the more sure and speedy justice."

In Sweden both the company and the government have closed the case and are not willing to pursue it any further the government has very categorically stated in the Parliament that as far as they are concerned the matter is closed.

In India a petition was filed in the Delhi High Court which came up to the Supreme Court where the validity

of the rogatory commission and legality of investigation was challenged. The petition was opposed on the grounds that the petitioner who has moved the court is not an accused in the case and he has no locus standi to file the petition before the Supreme Court. The Swiss government is aware of the fact that the petition is pending in a Supreme Court and the validity of the letter rogatory/rogatory commission and also the validity of the criminal proceedings was the subject matter challenged in the Supreme Court. Only on this basis is the suspension order that they should await the decision about the validity and legality of the letter rogatory from the Indian judicial authorities. It is only on the basis that the Indian judicial authorities are seized about the validity of the letter rogatory, the Swiss Court suspended examination of the request for international judicial assistance coming from India, till the matter was decided by an Indian judicial authorities.

This was the whole basis, no doubt that the Supreme Court dismissed the petition on the grounds of the locus standi of the petition. The Supreme Court said all the points raised in the petition could only be dealt with and decided if the accused had filed the petition. Since the petition was a "public interest litigation" it was dismissed with an observation that the accused must come forward. But the Supreme Court did not specifically deal with or answer any of the questions, on the other hand, observed that questions of great importance and questions of law have arisen.

Subsequent to this, Mr. Win Chadha one of the accused filed a petition in the Delhi High Court challenging the illegality and irregularity committed by the CBI [Central Bureau of Investigation]. The case has been admitted and is coming up for an early hearing. It clearly shows that the court found substance in the allegation that some illegality and irregularity have been committed. Whilst the case is subjudice and any action or judgement in Switzerland will have a very adverse effect since the case is already pending in the Deklgi High Court.

Mr. Win Chadha has raised several other legal issues in his petition under Article 226 of the Constitution of India before Delhi High Court.

Therefore the matter is still subjudice and any action or judgement in Switzerland will have a very adverse effect.

The matter can be looked at in two ways: suppose the Swiss court does not stay the action and goes ahead with the letter rogatory and based on that the investigation proceeds and after this the high court decides on merits that the letter rogatory and the investigation are without jurisdiction and illegal, we cannot put back the clock and undo the mischief that has been done by the order passed by the Swiss court. On the other hand, since there is already a proceeding order of the accounts and if there is already an order by Swiss courts suspending the proceedings before the Swiss courts no damage will be done by delaying the matter further and if the High Court

decided the matter in favour of the petitioner, the whole proceedings will be dropped.

On the other hand if the High Court decides against the petition, the whole proceedings can be continued without any damage to any party. So the balance of convenience would lie in favour of continuing the order of suspension.

More Discussion in Parliament

92AS0935C Bombay THE TIMES OF INDIA
in English 3 Apr 92 pp 1, 18

[Boldface words as published]

[Text] New Delhi, 1 April: The Swiss government is being asked immediately to ignore the note delivered by Mr. Madhavsinh Solanki and treat it as a document passed on "from one individual to another."

The Prime Minister, Mr. P.V. Narasimha Rao, gave this assurance to the Lok Sabha tonight at the end of a six-hour debate on the controversial note relating to the Bofors inquiry.

Asserting that the government's intentions were clear, Mr. Rao stated that "we want the proceedings to find out the truth to continue without let or hindrance." He stoutly denied the opposition allegations that the government was trying to delay the investigation.

Pointing out that all sections of the house were united on the need for unravelling the truth in the Bofors case, the Prime Minister said: "That is how it shall be."

Referring to his long experience in public life, he added: "I do not want this government to function under a shadow."

The debate was, by and large, free from rancour.

The minister of state for commerce, Mr. P. Chidambaram, and Mr. Mani Sankar Aiyar, former political secretary to Mr. Rajiv Gandhi, asserted that they firmly believed that the assassinated leader or any member of his family was not involved in the Bofors transaction.

The opposition named the Hinduja and Mr. Win Chadha as among the recipients of the Bofors commission and demanded that action be initiated against them. It also demanded that a copy of the document handed over by Mr. Solanki to the Swiss foreign minister in Davos on 1 February be procured and tabled in the house.

The Prime Minister, while expressing the government's determination to ensure early completion of the investigation, said: "From now on, I propose as minister in charge of the CBI [Central Bureau of Investigation], to keep myself regularly informed about the progress of the case."

Referring to the Solanki episode, Mr. Rao said: "I do not mind admitting... I do feel very strongly... that what has happened during the last two-three days has caused embarrassment to the government. The embarrassment would have to be removed."

About the message being sent to the Swiss authorities, he said this was being done as a matter of "abundant caution." The CBI and the others concerned had already taken prompt steps in this regard.

While denying charges about attempts to delay the probe, he referred to the speech of Mr. Chidambaram, who gave a very detailed account of the tortuous legal processes involved in the investigation from the beginning, and said there was no need for any doubt about the government's sincerity to bring out the truth.

As for the controversial note, he said: "We will address the (Swiss) government in this matter."

One of the suggestions that emerged during the debate from the opposition benches, particularly the BJP [Bharatiya Janata Party], was that the house should unanimously adopt a resolution expressing the determination of all parties and the government to pursue the case vigorously.

Earlier, the government expressed its firm intention to allow law to take its course on the Bofors investigation and said: "The CBI is continuing to vigorously pursue the case."

Making the government's intention clear on the Bofors issue, Mr. Pawar in a detailed statement in the Lok Sabha said the recent incident of the external affairs minister handing over a note to his Swiss counterpart "has no effect on the government's consistent position in the matter."

He allayed all apprehensions the government was thwarting the probe and had given signals to the Swiss authorities not to pursue the case. The "government wishes to emphatically deny all such allegations," Mr. Pawar told the house before it took up a special discussion on Bofors.

The defence minister said after the report in INDIAN EXPRESS suggesting that Swiss authorities had been told to shelve the Bofors probe, the CBI had sent two communications to Swiss federal department of justice and police reiterating India's keen interest in the investigations.

Giving details, Mr. Pawar said in two letters the CBI had addressed to Swiss authorities on 24 March and 26 March, it had told the federal justice department to vigorously pursue the matter with cantonal court and other Swiss authorities.

The letters also clarified that Mr. Win Chadha's pending petition before the Delhi high court should not influence in any manner the ongoing investigation in the Geneva cantonal court as the supreme court had ruled that the

FIR [First Information Report] and the letters rogatory remained unaffected by Mr. Chandha's petition, the minister said.

"Even the high court had not stayed the investigation. And despite the time that had passed and political changes in India, the government of India's request that the Swiss authorities provide speedy assistance in the investigations remain unchanged," the statement said.

While tracing the progress of the investigations, in different courts in Switzerland and in Sweden, the defence minister said the government wanted to table in May 1990 the classified portion of the Swedish national audit bureau report and had conveyed this intention to the Swedish government.

"The Swedish ambassador to India conveyed that the Swedish government had taken a serious view of the government of India's position as the classified portion of the report still remained secret under the Swedish laws of secrecy," Mr. Pawar said.

The defence minister said the Swedish government had also emphasised that if the government of India persisted in publicising the secret portion of the report, it would regard it as a "serious breach of trust" which would affect the flow of other classified or sensitive documents on the issue to India. "The government of India accordingly decided to honour the commitment."

Mr. Pawar said investigations into the Bofors case started with the CBI registering a preliminary inquiry on 8 November, 1988. Following this, he said, a memorandum of understanding was signed with the Swiss federal government on 20 February, 1989, to provide mutual assistance in criminal matters.

This led to the sending of two letters rogatory to Swiss authorities and subsequently the CBI registered a regular case on 20 January, 1990.

Mr. Pawar said as a result of efforts by the CBI, the Swiss banks froze certain bank accounts on 26 January, 1990, in Zurich and Geneva. In Zurich, the cantonal court dismissed an appeal filed against the freezing by A.E. Services, one of the recipients of payments from Bofors. This was upheld by the federal court and the CBI received copies of bank account documents.

The statement said that the CBI has moved the Swiss authorities for further investigation to ascertain the particulars of the beneficiaries of this account.

Similarly, in Geneva, he said certain affected parties had filed appeals on 9 August 1990, against blocking of certain accounts, adding that these cases "bear a relation to court cases filed in India."

Mr. Pawar said the courts at Geneva admitted the appeal and gave the CBI 60 days to rectify the deficiencies in the letters rogatory and as a provisional measure, continued to freeze the accounts. The statement said revised letters

were furnished by the CBI on 30 August 1990, which were found in order by the trial judge.

The minister said that appeals were filed by certain parties against the said order and the criminal court of appeal of Geneva canton passed an order on 23 January, 1991, suspending the examination of the letters rogatory till the Indian judicial authorities pronounced their decision.

Referring to related cases in India, the defence minister said one Mr. H.S. Chaudhary had filed a criminal petition in the Delhi high court on 18 August, 1990, praying for quashing of the FIR in the Bofors case and the letters rogatory issued by the Indian courts adding that some Indian political parties had impleaded in the aforesaid case.

The statement said the Delhi high court had dismissed the petition of Mr. Chaudhary on 19 December, 1990, but took cognizance suo moto of the case and issued notice to the CBI and the Union of India to show cause why the FIR may not be quashed.

He said against this high court order, eight appeals and one writ petition were filed in the supreme court by various political parties and in its order, the supreme court on 27 August, 1991, dismissed all the criminal appeals except that of the CBI.

The statement said while allowing the appeal of the CBI, the supreme court held that the FIR and the issue of letter rogatory "remain unaffected and they can be proceeded with in accordance with law."

The minister said the supreme court pronouncement on the issue had been communicated to the Swiss federal department and investigating judge by 23 September, 1991, to ensure that judicial process was resumed.

The statement said in the meantime, Mr. Chandha had filed a criminal miscellaneous petition on 12 September, 1991, in the supreme court here, praying that the court withhold its detailed judgement.

This too, Mr. Pawar said, was dismissed after which Mr. Chadha had moved the Delhi high court for restraining the CBI to proceed further with the investigations. However, the high court had not stayed the investigations.

The minister said while forwarding to Indian ambassador in Berne a copy of the supreme court order, the CBI had brought out that after the supreme court order, the FIR in the case and letters rogatory remain unaffected and that any fresh petition filed by Mr. Chadha should not in any manner influence the ongoing process in the Geneva cantonal court.

The minister said it had been amply clear to Swiss authorities that the CBI was taking keen interest in the investigations and the Swiss federal authorities should vigorously pursue the matter with the cantonal court and other authorities.

Mr. Pawar expressed the government's inability to table a copy of the note on Bofors cases as there was only one document which Mr. Solanki handed over to his Swiss counterpart.

The resignation of Mr. Solanki figured in the Rajya Sabha with the opposition demanding that the Prime Minister, Mr. P.V. Narasimha Rao, should make a statement and the congress members opposing them.

The matter was raised by the BJP [Bharatiya Janata Party] member, Mr. J.P. Mathur when the house reassembled after its lunch recess. He said there was no announcement about Mr. Solanki's resignation and the government had not clarified on the reasons for his tendering resignation. This was a kind of disrespect to the house, he said.

Berne (AFP): Switzerland's federal justice ministry asked legal authorities in the Geneva canton to comply with India's request for cooperation in investigating the Bofors scandal.

India's request for bank documents relating to the case is due to be heard on Friday. In the event that Geneva refused to divulge details of transactions the justice ministry would refer the affair to a federal court, the ministry spokesman, Mr. Joerg Kistler, said.

Mr. Kistler confirmed that the Indian ambassador in Switzerland had indicated the Indian government's desire to press ahead with the probe to discover the beneficiaries of the \$50 million Bofors has admitted to paying as commissions.

Assurance From Switzerland

92AS0935D Madras *THE HINDU* in English 3 Apr 92
p 1

[Quotation marks as published]

[Text] New Delhi, 2 April: The Swiss Government has assured 'appropriate action' on the communication sent by the Indian Government on Wednesday night to ignore the private note on Bofors handed over by the former External Affairs Minister, Mr. Madhavsingh Solanki, to his Swiss counterpart on 1 February.

Disclosing this in the Rajya Sabha today the Prime Minister, Mr. P.V. Narasimha Rao, informed the members at the end of a six-hour debate on the Solanki affair that the assurance of the Swiss Government was conveyed to the Indian Ambassador in Switzerland last night when he went to the Swiss Foreign Office to formally convey the request of the Government on Bofors investigation vis-a-vis the contentious note.

Mr. Rao said the request of the Government that the note delivered by Mr. Solanki should not be treated as official or any category of communication from the Government was conveyed over phone within two hours

after his assurance in the Lok Sabha in the course of debate on the subject on Wednesday. "I personally got this done," he said.

In his 15 minute-long intervention on the debate, the Prime Minister reiterated the resolve of his Government to spare no effort in getting at the truth on the pay-offs in the Bofors deal and appealed to the Opposition not to doubt the intentions of the Government.

The debate which witnessed occasional exchanges among members of the ruling party on one side and the Opposition on the other did not generate much interest mainly because the position of all the parties was clear during the debate in Lok Sabha yesterday.

Besides the Prime Minister, the Government fielded three other Ministers to defend its case. These included the Minister of State for Defence, Mr. S. Krishnakumar, who made an opening statement to enable the debate in the absence of the Defence Minister, Mr. Sharad Pawar, the Union Minister of State for Commerce, Mr. P. Chidambaram, who dealt with the finer points of the legal aspects and Mrs. Margaret Alva as Minister of State in-charge of the Central Bureau of Investigation (CBI).

The Prime Minister referred to his statement in the Lok Sabha that henceforth he would be personally posted with all the developments related to the Bofors investigation and clarified that it did not mean that he would interfere with the work of the investigation agency.

He appealed to all members of Opposition not to drag the names of individual officers in the agency and said that it did not serve the interests of good administration. It was not proper to expect any single official to continue till the end of a case, he said and added that the CBI Director was expected to retire shortly and the Government would have to find a successor as part of its policy not to give extension to any official.

Mr. Rao said the Government would pursue the investigation on the Bofors case within the purview of the Memorandum of Understanding (MOU) with the Swiss Government. "We will do everything as required by the MOU and will make them do everything in pursuit of the Bofors investigation."

The statement of Mr. Krishnakumar was a repetition of what the Defence Minister had said in the Lok Sabha on Wednesday. The only additional point referred by him related to the purported text of the note handed over by Mr. Solanki as published in a newspaper today. He said the note had no bearing on the Government of India.

In his reply to the debate, Mr. Kumar rejected the demand made by some members for prosecution of Mr. Solanki under the Indian Penal Code and said that it was far fetched.

PTI Reports:

The Prime Minister categorically said in the Rajya Sabha that no business house in any part of the world could

wield influence on his Government. His assertion was in reply to the charge made by Mr. Yashwant Sinha (JD-S) that the London-based Hinduja Group was wielding "undesirable" influence on his Government.

Content of CPI-M Organizational Report Reviewed

Communist Consciousness Decay

92AS0929A Calcutta THE TELEGRAPH in English
6 Apr 92 p 4

[Article by Manini Chatterjee; boldface words as published]

[Text] New Delhi 5 April—The CPI(M)'s [Communist Party of India-Marxist] crucial organisational report, published four months after the party's 14th Congress is marked by sweeping self-criticism and comes down heavily against "Parliamentarism," "bureaucratism" and "crass opportunism" which has crept into the functioning of the party.

It has also noted the slow progress in the Hindi belt states since the party's Salkia Plenum in 1978 and the lack of training and education of cadres in the party and mass organisations.

The 47-page report makes a detailed analysis of the strengths, deviations and tasks before the party as it enters a crucial phase in the country's history.

In a sharp criticism of the spreading "Parliamentarism and the crass opportunism connected with it," the report notes: "It is common occurrence even in the weakest states for party committees to make exaggerated claims about fighting elections, bickerings over candidates and choice of seats."

It further notes: "The corrosion of communist consciousness is seen also in states where we have our governments. Hankering for posts in elected bodies such as municipalities, zilla parishads or the Assembly leads to groupism. Individual ego and vested interests vitiate the collective functioning.

"These become issues for inner party struggle. Such tendencies have been seen in West Bengal, Kerala...In some districts and committees in the country the only primacy is for elections and other organisational work is ignored.

"During elections the candidate and members will collect substantial sums from the people but for party organisation or wholetimers, the same leaders will find no sources of funds.

"Elected MLAs [members of Legislative Assemblies] of corporators are reluctant to pay the levy specified by the party, worse still is that electoral work is never consolidated and those mobilised during elections are not brought into the mass organisational or party fold.

Liberalism and a reformist outlook with regard to this deviation must be ended in the party."

MPs [members of Parliament] criticised: Apart from attacking "Parliamentarism," the report is also critical of the performance of its Parliamentary wing. It says: "The performance of party MPs since the Salkia Plenum, though showing improvement in some respects, has not yet reached a stage where the group is able to consistently and effectively project the party's line and champion the interests of the class we represent."

It states that "an indepth assessment has to be made of how we can realise the full potential and possibilities of work in the Parliamentary system and whether there is necessity for reorienting our approach so that the full benefits for our movement can be realised.

"An effective Parliamentary Committee, proper liaison with the party centre, proper homework by the MPs and planning issues to be raised and reorganisation of Parliamentary office work—all this needs to be done on a priority basis."

But the bulk of the report concentrates on the crucial tasks of building an effective party centre, recruiting and training of cadres and launching of mass movements among workers and peasants.

It notes that "careerist trends" have developed among some cadres, functionaries in the party and trade union fronts and asserts that "a proper cadre policy requires constant renewal of cadres, with the experience and maturity of the old must be combined with the energy and enthusiasm of the younger cadres. This also requires promotion of younger cadres at an appropriate time and retirement of old when found necessary."

Problems of growth: The report repeatedly refers to the fact that though there has been impressive growth since the Salkia Plenum (party membership has grown from 48 lakhs to 287 lakhs, a six-fold increase), it has been uneven and has brought fresh problems with it.

It points out that the party has undergone a sea change in terms of age group and party experience with over 70 per cent party members below the age of 40 who joined the party after 1980. "This youthful composition augurs well for the party but it also highlights the problems posed by growth and expansion.

"In a state like West Bengal, a premier unit of the party now, the big majority of party members are those who have been recruited in the past 14 years.

"This has an important bearing both in terms of ideological steeling and experience of class struggles. The expansion in the stronger states underlines the vital importance of training and moulding this membership in communist norms and discipline and in heightening their political consciousness.

"Most of the state committees have reported that though serious efforts have been made to conduct party schools and classes, they fall far short of actual requirements."

'Bureaucratism' Scored

92AS0929B Calcutta THE TELEGRAPH in English
7 Apr 92 p 6

[Article by Manini Chatterjee; boldface words as published]

[Text] New Delhi, 6 April—The CPI(M)'s [Communist Party of India-Marxist] report on organisations and tasks has identified the paucity of leading cadres at the party centre and the failure to build mass movements among the peasantry as key reasons behind the failure of the party to make significant growth since the Salkia plenum of 1978. The faulty implementation of "democratic centralism" resulting in bureaucratism in the party has also been discussed in detail in the report.

While the Salkia plenum had underlined the necessity for a communist party to have a strong and effective centre, the present report has admitted that "the main reason for the inability to consistently apply the Salkia guidelines in all its aspects and register steady progress is the failure to increase the number of leading cadres at the politburo, Central Committee level working at the Centre."

It further said, "The failure to induct more cadres, both political and technical, at the Centre has hampered the various improvements which were possible at the Centre. Dividing up the important work into departments/sub-committees; supervising the direction of mass organisational work; taking up new tasks approved by the PB/CC [Politburo Central Committee]....all these require urgent and planned augmentation of the cadres at the Centre."

Paucity of women: The report has also expressed concern at the low level of recruitment of women into the party despite slight progress in recent years, particularly in Tamil Nadu. Pointing out the serious lag in women's recruitment even in the stronger states, it says, "In Kerala, for instance, with lakhs of women in the trade unions, mahila, youth and student organisations, the women membership is only 5.4 per cent. Though this is an improvement over 1988 (3.1 per cent), it is still grossly insufficient given the tremendous potential. In West Bengal, the women membership is only 4.9 per cent of the total membership."

Pointing out that religious fundamentalists and communal forces were mobilising women on their platform, it says, "This underlines the urgency of remoulding the party's outlook to women in the party and the mass organisations."

While appreciating the growth of the party among Scheduled Castes, it says, "However, in the case of Scheduled Tribes and the Muslim minority, the composition is not satisfactory if the total all-India picture is taken."

Failure in Hindi belt: The report also points out that the two major failures in the work in the Hindi belt states stems from the inability to launch a "powerful agrarian movement" and the failure to "develop the Left movement in an area where the social reform movement has been weak or absent and where caste and feudal ideology has a strong hold."

Regarding the first failure, the report says "the intensification of the class struggle in the rural areas has not been the main feature of the work in the kisan-agricultural labour front." At the same time, the IPF-CPI(ML) [Indian People's Front-Communist Party of India—Marxist-Leninist] liberation group has grown into a mass force in central Bihar in the traditional CPI [Communist Party of India] strongholds and the BSP [Bahujan Samaj Party] has established influence among the Scheduled Castes in UP [Uttar Pradesh], the report notes.

As for the second failure, the report admits that the party has been unable to make the anti-caste propaganda and struggle part of its daily activity and its literary and cultural activities have been limited in scope. "In fact, after a decade it must be realised that the forces of social reaction, of caste divisiveness and rank communalism have actually gained in the Hindi region."

Democratic centralism: On the Salkia plenum's call to strengthen democratic centralism, it notes that "with a majority of party branches not functioning as per the minimum norms, with a big section of the party members not fulfilling the minimum duties and exercising the rights as per the Constitution, with a larger number of committees functioning haphazardly and not collectively, the state of democratic centralism is not healthy."

But despite all the defects pointed out, there is a sense of hope and determination in the organisational report. The crux of the report is that party cadres should eschew any sense of complacency and intensify the ideological and political consciousness which can help the party become a fighting instrument as it enters a particularly bleak phase.

Vajpayee on Solution to Kashmir Imbroglio

92AS0867A Varnasi AJ in Hindi 5 Apr 92 p 4

[BJP leader Atal Bihari Vajpayee interviewed by AJ reporters; place and date not given]

[Text] Mr. Atal Bihari Bajpai, the veteran Bharatiya Janata Party [BJP] leader, recently expressed his opinions in a radio show on Ayodhya, the economic situation, the Kashmir issue, the performance of former BJP governments, and the Congress government. While mentioning U.S. pressure on India, he said that the United

States is not a superpower any more; it has become the most powerful nation in the world, and that it wants to use Pakistan against India.

While Vajpayee praised the Narasimha Rao government on its success in international relations and economic policy, he also criticized it on other issues. He said that the present Congress leadership was unable to tackle the economic problems the nation is facing. He left the discussion about the president's position to the party. We are presenting major parts of his interview below.

[AJ] The various leaders of the BJP have said things about the government's economic policy that have confused us. It is unclear how much of this policy you consider appropriate and how much you consider wrong.

[Vajpayee] The government is facing a lot of criticism over its new economic policies that have spread all over the country. It is wrong to assume that the BJP supports all of the economic policies adopted by the government. We have asked, even during the Bharatiya Janata Party's time, that unnecessary restrictions and blocks caused by the system of red tape be stopped. The government sector should not be expanded blindly. The fact is that the government-run industries should be run at an exemplary footing. It should show a profit from this. The main reason for opening government factories was to make profits and to show how profit is made. Later, however, they were joined with other philosophies, and it was said that in order to help the people, the government should control more and more of the economic system. Thus, centralization was increased in the hands of the government. We have always believed that whether centralization is in the hands of the government or in the hands of the capitalists, it is bad. It does not matter whether the monopoly is in the hands of the government or the industrialists; the people will never benefit from this.

[AJ] You consider the monopoly by industrialists bad. You do not even want the multinational companies to come to India.

[Vajpayee] We do not stop the multinational companies from coming in. However, we want to decide what areas they should come into, and what kind of work they should do. This decision should be left to us. We want these multinational companies to work in the areas of computers and space research only. It is true that these companies will want to expand into other areas; however, it is our government's duty to decide in which area they should work so that our nation benefits. I have said that these international companies want to make a profit here. However, if their making profit also benefits us for the time being and we can also establish a structure for the future, then the government should be ready to cooperate. But this should be decided on the merit of each case. Opening our doors to international companies with our eyes closed is not right.

[AJ] What about the comment made about the government's tendency to sell our country to international companies?

[Vajpayee] I have objected to this and have said in strong language that we should not use such words. India is an ancient, great nation. No one can sell it. If we continue to talk like this, then maybe our country really will be sold. What will we say then? Our country is democratic; we have a multiparty system; we have a free press; we have hundreds of ways to point out flaws in our government.

[AJ] How great is our dependence on the International Monetary Fund [IMF]?

[Vajpayee] If we borrowed money and used it wisely, then we would not have needed additional loans in the future. This never happened. Now we depend on the World Bank and the International Monetary Fund. This dependence has reached a dangerous level. I remember a highly placed IMF official while visiting India was asked by a reporter why he was forcing such strict conditions on India. He answered, "We are not levying any conditions. India is submitting to all these conditions." From this you can see how bad our plight is. India is forced to accept anything, and this situation has resulted from the wrong policies of the last 10 years. Our country has been pushed into insolvency.

[AJ] The Congress Party is close to the BJP, and the people are confused. The elections in Punjab are given as an example to prove this. What is the situation regarding the closeness to the Congress Party?

[Vajpayee] (laughs) The issue of being close? At this time the BJP has established governments in four states. Because of our closeness to the Congress Party, we have lost in some states, and the Congress has lost in other states. Where the Congress is in the opposition, the people will be asking it the same questions that are being asked of us where we are the majority. Cooperation in some areas and opposition in other areas is a common practice in a democratic society. As for the question of elections in Punjab, it did not depend on our relationship with the Congress Party at the Center.

[AJ] The way you issued a laudatory statement on the budget and the way your party is now holding demonstrations against the budget is causing confusion. Why is that?

[Vajpayee] There was no confusion, and there should not be any. Always harping the same tune is not appropriate. If there are some good things in the budget, we will welcome them. For example, they have started the gold bonds plan. This is our plan, after all. If there is any criticism, then it should be on the point of why this was started after a year's delay. This plan will help stop smuggling and reduce gold prices. The gold that is sitting in our country will help solve our economic problem. If the government had accepted our suggestion of reducing the income tax and reinstating some of the deductions it had taken back, then we would have welcomed it.

However, there are many other issues that we will criticize. We should not have such a low opinion of the intelligence of our people. When they see that the BJP is also opposing it like other parties, they will not like it.

[AJ] Our relations with Pakistan during the period when you were the foreign minister are still considered to be the best, even today. What happened to lead to the deterioration in relations with Pakistan?

[Vajpayee] It is a long story. At the time, Pakistan had not started to interfere in our internal affairs. After the Bangladesh war, Pakistan was thinking about asking for some minor changes around the cease-fire line in order to resolve the Kashmir problem.

[AJ] Was this discussed with you?

[Vajpayee] Mr. Bhutto had discussed this with Mrs. Indira Gandhi. General Zia asked me if there was any written document on it. I told him that nothing was written; however, I assured him that it was a fact. Soviet leaders had also asked us about it. I was able to assure them that Bhutto had promised in Shimla that if we gave up armed confrontation, Pakistan would return the land it took over from India. Pakistan was willing to agree on Kashmir based on the cease-fire line. However, Indira Gandhi made a mistake in believing that Bhutto would follow up on the agreement after returning to Pakistan. This agreement should have been signed at the same time in Shimla. It should not have been left for the future. Bhutto changed his stand after returning to Pakistan and declared that he was forced by internal affairs. General Ziaul Haq was a realist; he knew well that Kashmir could not be taken by a war. Therefore, he started to spread a network of religious schools in Kashmir through the Jamaat-i Islami. The Congress Party, because of its own vested interests and dirty politics, decided to teach a lesson to Farooq Abdullah, and encouraged such militants as Gulshah in Kashmir. All of this exacerbated the situation in Kashmir.

It has been said that Uttar Pradesh is not the only state where things have been settled, and it is not the state where we have been given the mandate by the people. Therefore, when the whole country gives us the mandate and a BJP government is established in Delhi, we will build the temple.

In the past, it was said that even in Uttar Pradesh, we did not get a mandate to build the temple. Now we have it in Uttar Pradesh, and people have started to say that we must get this mandate at the Center. There will be a time when we will be in a position to get the people's opinions at the Center.

Congress-I Names Foreign Hand in Rajiv Killing

92AS0854A Madras *THE HINDU* in English
14 Mar 92 p 1

[Boldface words as published]

[Text] New Delhi, 13 March: The All-India Congress Committee(I) [AICC], in an affidavit before the Jain

Commission of inquiry, today named certain foreign powers for allegedly being behind the assassination of Rajiv Gandhi in collusion with some anti-national elements of the country.

The 11-page affidavit, signed by the AICC general secretary, Mrs. Rajendra Kumari Bajpai, was submitted this evening by the party's legal cell convenor, Mr. R.N. Mittal, to the Commission, set up to probe the conspiracy "in all its ramifications" behind the 21 May 1991 assassination.

Mr. Mittal, when contacted by UNI [United News of India], refused to divulge the names of the foreign powers allegedly behind Rajiv's assassination at a Sriperumbudur public meeting in Tamil Nadu by a suicide-bomber, suspected to be an activist of the Liberation Tigers of Tamil Eelam (LTTE). The suicide-bomber, identified as Dhanu, died in the blast in which 17 others were killed apart from Rajiv Gandhi.

Mr. Mittal, categorically stated that the affidavit talks about "an international conspiracy" behind the former Prime Minister's assassination.

Mr. Mittal, along with his associate Mr. S.K. Bandopadhyaya, submitted the affidavit to the Commission secretary, Mr. D.R. Luthra. Today was the last day of an extended deadline for the AICC(I) to file its statement on affidavit before the one-man probe panel, comprising Delhi High Court's retired Chief Justice M.C. Jain.

According to Mr. Mittal, the affidavit also mentions that the then government at the Centre had substantially scaled down the security of Rajiv Gandhi, though the threat to his life had stepped up.

The Jain Commission was constituted by the Centre in August last to probe the manner of the assassination and the conspiracy, international or domestic, "with all its ramifications." The AICC(I) has filed the affidavit in response to a notice of the Commission issued late last year.

Similar notices have been issued to more than 50 individuals and State and Central Government agencies for filing their statements on affidavits, keeping in view the terms of references of the commission.

CID [Criminal Investigation Department] messages received: Three messages were sent to the Superintendent of Police at Sriperumbudur by the CID referring to the attack by Sikh extremists in Delhi, days before Rajiv was assassinated on 21 May last year, the Verma Inquiry Commission was told today.

Deposing before the panel, probing security lapses leading to the assassination of Rajiv, Mr. S.P. Mathur, the suspended DIG [Deputy Inspector General] of Chengalpattu Range, said he received a copy of the three messages from the CID Headquarters for his information on 19 and 20 May 1991.

A section 8-B noticee, Mr. Mathur was entrusted with the task of accompanying Rajiv Gandhi from Meenam-bakkam airport at Madras to Sriperumbudur in the convoy.

Mr. Mathur who sustained grievous injuries in the blast at Sriperumbudur was hospitalised in Madras for six days and later went on medical leave. He was suspended.

During cross examination by the Commission's counsel, Mr. Gopal Subramaniam, the police officer said a meeting was held on 20 May at the instance of the IG [Inspector General], Police, Mr. R.K. Raghavan, at which security arrangements at the airport and part of the route were discussed. He said CID messages were taken into account during discussions at the meeting.

In reply to another query, Mr. Mathur said on the part of the organisers the former Union Minister, Mrs. Maragatham Chandrasekhar had sought provision of a gravel road from the main road at the venue of the fateful meeting at Sriperumbudur.

She was informed to approach the District Collector for the purpose, he said.

Differs from stand: Mr. Mathur slightly differed from the earlier stand of the police officers when he said that objection to the venue at Sriperumbudur from the police was not primarily due to its proximity to the proposed venue of the DMK [Dravida Munnetra Kazhagam] meeting.

'The spot of the Congress(I) meeting was uneven and open and covered a large area where proper arrangements could not have been made in such a short time,' he submitted.

Extension likely: The Justice J.S. Verma Commission of Inquiry will get a further extension of its term by the three months, the Attorney-General, Mr. G. Ramaswamy, told the commission today.

During the proceedings, the Attorney-General informed Mr. Verma that he had written to the Government requesting for extension of the inquiry panel's term by another three months.

The commission's term ends on 31 March.

Reserve Bank Head Announces New Credit Policy

92AS0955A Madras THE HINDU in English 22 Apr 92
p 6

[Boldface words as published]

[Text] Bombay, April 21. The Reserve Bank Governor, Mr. S. Venkitaramanan, announcing the credit policy for the first half of 1992-93, said here today that the monetary policy must take into account the need to revive industrial and agricultural production, and encourage exports keeping in mind the inflation rate and the balance of payments stability.

It was proposed to reorganise the market such that Government dependence on credit from the RBI [Reserve Bank of India] and the banks would decrease. This would be an important element of monetary and credit policy for 1992-93. Once credit to Government preempted less resources of the banking sector, it should be possible to broaden credit availability to agriculture, trade, and industry to support the revival of the economy, he said while addressing chief executives of major scheduled commercial banks.

The RBI Governor advised scheduled commercial banks to plan their credit budgets on the basis of a working estimate of the increase in aggregate deposits of Rupees 27,000 crores (11.7 per cent) during 1992-93. The increase in aggregate deposits during the first half of 1992-93 was estimated at around Rupees 14,000 crores. The lendable resources of banks should be used to support the revival of activity in both the agricultural and the industrial sectors. Particular attention should be given to genuine credit requirements of small scale industries and exports, Mr. Venkitaramanan said.

The changes included a discontinuation of the 10 per cent incremental cash reserve ratio together with a reduction in the interest on banks' cash balances with the Reserve Bank, withdrawal of the incremental nonfood credit-deposit ratio, rationalisation of lending rates, deposit rates and export refinance rates, relaxation of restrictions on credit for consumer durables, tightening of selective credit controls, increase in the limits of Certificates of Deposit, liberalisation of terms for issue of Commercial Paper, introduction of a new scheme of Money Market Mutual Funds and introduction of longer maturity Treasury Bills on auction basis.

Monetary policy had to take note of the Government's declared objective of reduction of the gross fiscal deficit from 6.5 per cent of GDP [Gross Domestic Product] in 1991-92 to 5 per cent in 1992-93. The Government had also taken steps to bring down the rate of inflation; the objective of the policy would be to bring it down to 8 per cent in 1992-93, he said.

To realise the full anti-inflationary impact of the reduction in the budget deficit, the pace of monetary expansion should be brought down from 18.6 per cent in 1991-92 to less than 11 per cent in 1992-93. Growth of money supply had a number of contributing factors, the most powerful being the increase of credit by RBI and the banks to Government.

The highlights of Credit Policy measures announced by the Governor are as follows:

“(a) Discontinuation of the incremental cash reserve ratio:

All scheduled commercial banks will be exempted from the maintenance of the 10 per cent incremental cash reserve ratio for any increase in net demand and time liabilities over the level as on April 17, 1992. The 10 per cent incremental cash reserve ratio would, however, continue to be operative up to the level of net demand and time liabilities as on April 17, 1992.

(b) Reduction in the Interest on Banks' Cash Balances held with the Reserve Bank of India: The payment of interest to banks on their cash balances results in an increase in reserve money and to control the expansionary impact of created money it becomes necessary to increase the cash reserve ration (CRR). With the reduction in the effective cash reserve requirement, with effect from the fortnight beginning May 2, 1992 (i) on the eligible cash balances based on the net DTL (demand and time liabilities) as of March 23, 1990, interest would continue to be paid at a rate of 10.5 per cent per annum, and (ii) on the increase in eligible cash balances, based on the net DTL maintained after March 23, 1990, under the average 15 per cent CRR as well as eligible cash balances maintained under the 10 per cent incremental CRR, interest would be paid at a rate of three per cent per annum as against five per cent hitherto.

(c) Withdrawal of the incremental net, nonfood credit (excluding export credit)—deposit ratio: An incremental nonfood credit-deposit ratio has been stipulated since October 1989. The prescription of an incremental net nonfood credit (excluding export credit)—deposit ratio as before is not considered necessary for 1992-93. Banks have been advised to normalise credit facilities to support the revival of productive activity. The lending operations of banks would, however, need to be consistent with their own resources and large and chronic mismatches between sources and uses of funds are to be avoided.

(d) Rationalisation of lending rates: With a view to continuing the process of rationalisation of lending rates of scheduled commercial banks, it has been decided to reduce effective April 22, 1992, the existing six categories to four categories according to size of limit.

Interest rate structure for advances of scheduled commercial banks (other than DRI advances and export credit):

Size of Limit	(Rate of Interest)	
	(per cent of annum)	
	Existing Rates	New Rates (effective April 22, 1992)
(i) Up to and inclusive of Rs. 7,500/-	11.5	11.5
(ii) Over Rs. 7,500/- and up to Rs. 15,000/-	13.0	-
(iii) Over Rs. 15,000/- and up to Rs. 25,000/-	13.5	13.5
(iv) Over Rs. 25,000/- and up to Rs. 50,000/-	15.5	-
(v) up to Rs. 2 lakhs	16.5	16.5
(vi) Over Rs. 2 Lakh	19.0 (minimum)	19.0 (minimum)

The above structure of lending rates would apply to both working capital and term loans. For term loans to agriculture, small scale industries and transport operators owning up to two vehicles, over Rupees 25,000/- and up to Rupees 2 lakhs, a rate of interest of 15 per cent per annum.

(e) Rationalisation of deposit rates: As a step towards further rationalisation of deposit rates, the number of prescriptions are being reduced. Effective April 22, 1992, the deposit rates for maturity of 46 days to three years and above would be a single prescription of not exceeding 13.0 per cent per annum. The revised structure of deposit rates will apply only to fresh deposits and on renewals of maturing deposits. The existing and the revised structure of deposit rates excluding FCNR/NRE accounts are set out below:

Scheduled Commercial Banks' Interest Rates on Term Deposits (Excluding FCNR/NRE):

Term Deposits	(Rate of Interest)	
	(Per cent per annum)	
	Existing Rates	New Rates (effective April 22, 1992)
(a) 46 days to less than one year	11.0	-
(b) One year to less than three years	12.0	Not exceeding
(c) Three years and over	13.0	13.0

Banks have been advised to use utmost discretion in offering deposit rates on various maturities within the cap of 13 per cent. The deposit rates offered for various maturities need to be based on the cost of funds, return on funds and the interbank borrowing/lending status of individual banks. At any point of time individual banks have to adopt uniform rates at all their branches and for all customers.

While banks are free to determine the maturities and deposit rates, they would be required to prescribe a minimum of three maturities of their choice and the rates for each maturity should have an interest rate differential between any two successive maturity slabs of at least 0.25 percentage point. The banks should carefully set their own deposit rates taking into account their perception of the future course of inflation and real rates of interest.

(f) Rationalisation of export refinance rates: Dollar denominated export credit is now provided at 6.5 per cent per annum. In order to make the scheme more attractive to bankers, the refinance for such dollar denominated credit which has been provided so far at 7.5 per cent will now be provided at 5.5 per cent with effect from April 22, 1992 keeping the refinance accelerator at 133 1/3 per cent. These rates for dollar denominated export credit will be reviewed in keeping with the movement of international interest rates.

So far as rupee denominated export credit is concerned, it has to be pointed out that when pre-shipment and post-shipment export credit interest rates were increased in August and October, 1991, the export refinance rate was kept unchanged. It has been decided to increase effective from April 22, 1992, the rate of interest on export credit (rupee) refinance from 9.5 per cent per annum to 11 per cent per annum.

The base for determining export credit (rupee) refinance will remain unchanged and with the 125 per cent accelerator the proportion of credit supported by refinance would rise. Again, with the change in the refinance rate for dollar denominated export credit and an unchanged accelerator of 133 1/3 per cent, this scheme will become highly attractive. Banks would thus be able to fully meet the incremental credit requirements of the export sector without any resources constraint.

(g) Selective credit controls: In the area of selective credit controls, three measures are being effected from April 22, 1992:

(i) The level of credit ceilings reference base is brought forward to the three years ended November 1991.

(ii) The level of credit ceilings for paddy/rice and wheat are reduced from 85 per cent to 70 per cent of the peak utilisation in the reference period and,

(iii) the minimum margin for cotton and kapas has been raised by 15 percentage points to 75 per cent for 'others' and 60 per cent for warehouse receipts.

(h) Restriction on credit to certain sectors: A number of industries producing consumer durables have been adversely effected in the recent period by supply constraints as well as a slowdown in demand. In the context of the easing of the pressure on banks' resources and to facilitate recovery of industrial output, it has been decided to withdraw, with effect from April 22, 1992, the restriction on banks' credit to the following sectors, viz.,

(i) loans for purchases of consumer durables and (ii) other nonpriority sector personal loans.

Banks have been advised to continue to ensure that there is no increase in credit outstanding to individuals against shares and debentures/bonds. Furthermore, effective April 22, 1992, loans to individuals against shares and debentures/bonds would be subject to a minimum margin of 75 per cent.

(i) Certificate of Deposit: Effective May 2, 1992, the limits for issue of Certificates of Deposits (CDs) by scheduled commercial banks (excluding regional rural banks) is being enhanced from five per cent to seven per cent of the fortnightly average outstanding aggregate deposits in 1989-90. Consequently, the aggregate limits for the banking system for issue of CDs would increase from Rupees 7,537 crore to Rupees 10,531 crore.

(j) Commercial paper: The following relaxations are being made in the guidelines relating to Commercial Paper (CP):

(i) The working capital (fund-based) limit of a company for issue of CP should not be less than Rupees 5 crore instead of Rupees 10 crore, at present.

(ii) The minimum credit rating from the Credit Rating Information Services of India Ltd. (CRISIL) shall be P2 instead of P1 as at present. Also, the minimum credit rating from the Investment Information and Credit Rating Agency of India Ltd. (ICRA) shall be A2 instead of A1 as at present.

(iii) The ceiling on the aggregate amount to be raised by issue of CP shall be raised from 30 per cent to 75 per cent of the company's working capital (fund-based) limit.

(iv) Closely held companies whose shares are not listed on any of the stock exchanges in the country will also be permitted to issue CP provided all the other criteria for issue of CP are met.

(k) Money Market Mutual Funds: A new scheme of Money Market Mutual Funds (MMMFs) has been introduced. The MMMFs can be set up by banks and public financial institutions. The limit for these funds in the case of banks would be equivalent to 2 per cent of their average aggregate deposits during 1991-92. As MMMFs are primarily intended to be a vehicle for individual investors to participate in the money markets, only individuals can subscribe to MMMF. The minimum look-in period would be 46 days. The investors cannot be guaranteed a minimum rate of return. Reserve requirements will not apply to MMMFs.

Branch Licensing Policy: The Narasimha Committee has, inter alia, recommended that branch licensing policy be abolished. With a view to enabling banks to rationalise their existing branch network, it is proposed to give banks freedom to relocate branches, open specialised branches, spin off business at other locations, set up controlling offices/administrative units and also establish extension counters. Banks have been permitted

to close down branches other than in rural areas, as well as to swap unremunerative branches or those in remote areas. The boards of banks will be required to decide on the policy and strategy for setting up of new branches taking into account the need to meet overall national policy objectives, the need to cater to the special requirements of modern globalised business which call for a fast and efficient response, and the need to keep the establishment costs and other overheads under control. Banks which attain the revised capital adequacy norms and prudential accounting standards will be given freedom to set up new branch offices. These relaxations will operate with immediate effect.

Expansion of branches of foreign banks will be based as hitherto, on considerations of national advantage from the point of view of facilitating exports and foreign investment, principles of nondiscriminatory reciprocal treatment and mutual benefits, besides compliance with prudential and other norms, will be given due weightage. They require licence to operate. The policy will continue hitherto. While welcoming them selectively we will help them."

Planning, Finance Organs Report on Economy

Finance Ministry

92AS0975A Bombay THE TIMES OF INDIA
in English 25 Apr 92 p 17

[Text] New Delhi, April 24 (PTI)—A downturn in the annual rate of inflation, marked improvement in the balance of payments situation and restoration of international confidence were achieved during 1991-92 as a result of concerted steps taken by the finance ministry.

According to the annual report of the ministry, released today, the supply factors affecting the industrial production were performing well and could sustain a quick industrial revival in 1992-93.

The report said the full benefits of the industrial policy changes will materialise only after some time, some early gains were already visible.

It said as a result of the measures taken by the government, a downturn in the annual rate of inflation has set in. The annual rate which reached a peak of 16.7 per cent in August 1991 declined to 12 per cent on February 15 and was also lower than 13.3 per cent on the corresponding date last year.

The report said India drew from the International Monetary Fund resources amounting to \$3 billion or Rupees 6,500 crores up to January 1992, including the first two tranches under the \$2.2 billion standby arrangement.

According to the annual report the large internal and external financial imbalances exacerbated by the Gulf crisis and uncertain and disturbed situation in the domestic polity during 1990-91 and the first quarter of 1991-92 led to an erosion of international confidence in India.

Credit rating agencies placed India either under watch or downgraded credit rating of Indian entities.

The developments culminated in a severe balance of payments (BoP) crisis of unprecedented dimensions. Between March-end 1991 and June-end, 1991 there was an erosion of Rupees 2,073 crores (\$1.15 billion) in total foreign exchange reserves which dwindled to Rupees 2,383 crores (\$1.13 billion) barely sufficient for two weeks' imports.

The government announced a comprehensive adjustment package involving exchange rate adjustment, fiscal correction and structural reforms in trade and industrial policy towards ensuring viable balance of payments.

As a result, gross foreign exchange reserve have stabilised. These amounted to Rupees 20,307 crores (\$7.84 billion) of which foreign currency assets comprised Rupees 10,791 crores (\$4.16 billion) at the end of February 1992.

Steps have been taken to revamp the public distribution system and its reach has been extended to 1700 blocks in farflung and disadvantaged areas.

Management of supply of essential commodities has been improved by offloading stocks of rice and wheat in the market, increasing allocations of sugar, rice and wheat during the lean period and importing items in short supply in domestic market.

According to the annual report, measures were adopted to contain government expenditure and augment revenue, reverse the downward trend in the share of direct taxes in total tax revenue, curb conspicuous consumption, encourage indigenous industry and to improve the competitiveness of the industrial sector particularly the export-oriented industries.

Planning Commission

92AS0975B Bombay *THE TIMES OF INDIA*
in English 25 Apr 92 p 17

[Text] New Delhi, April 24 (PTI)—The GDP [Gross Domestic Product] growth rate during 1991-92, which was marked by political uncertainty till June, is expected to decline sharply to 2.5 per cent compared to 5.8 per cent recorded in 1990-91.

"During the year under review, gross domestic product (GDP) was expected to rise by only about 2.5 per cent. Being the threshold year for the launching of the Eighth Plan (1992-97), the spillover problems were likely to have adverse repercussions on the implementation of the plan at least in the initial years," the Planning Commission's annual report for 1991-92 said.

It said mounting fiscal deficits, the ever increasing nonplan expenditure, loss making public sector undertakings and the worsening current account deficits continued to be areas of serious concern and have put a severe strain on the country's economic fabric.

The balance of payments position, especially worsened to such an extent that, in addition to long term corrective

policy measures, emergency action had to be taken to prevent a default in payments, it said.

The report said the performance of the Indian economy during the Seventh Plan was excellent. Nevertheless, the Eighth Plan (1990-95) could not take off due to the fast changing political developments at the Centre.

It said compared to the previous year, the southwest monsoon was not quite active during the first two months of the season and, as such, the target of foodgrains production of 182.5 million tonnes may not be attained.

Generation of electricity during April-December 1991 was nine per cent higher than in the corresponding period of the previous year and coal production was 10.9 per cent higher.

Crude oil production, however, declined by 7.1 per cent and refinery throughput by 2.1 per cent. Revenue earning goods traffic of the railways continued to maintain an upward trend.

However, the report said, the performance of the industrial sector was not encouraging. The index of industrial production in April-June 1991 was 2.3 per cent lower than that in the continuing quarter of the previous year.

Although, there was a growth of 0.5 per cent in the next quarter (July to September, 1991), the decline in the next two months (October- November, 1991) was by one per cent. On the whole between April and November 1991, the index of industrial production showed a decline of 0.9 per cent.

Lack of Funds for Rocket Development Revealed

92AS0977A Bombay *THE TIMES OF INDIA*
in English 25 Apr 92 p 7

[Article by Srinivas Laxman]

[Text] Bombay, April 24—Although India is making serious efforts to acquire cryogenic engine technology from Russia, it has not been accorded priority in the current space programme.

The cryogenic propulsion system is vital for the Geosynchronous Satellite Launch Vehicle (GSLV) which is to be tentatively launched in 1995.

According to a just released Indian Space Research Organisation (ISRO) document, the amount allotted for the cryogenic project in 1991-92 was Rupees 30 lakhs. As against this meagre sum, no allocation was made in 1992-93, according to ISRO.

ISRO officials here are at a loss to explain why it has been accorded no priority this year.

At a time when India is making efforts to acquire technology from the Russians for the country's rocket systems, the feeling is that it should have been allotted some amount in the budgetary allocation. Otherwise,

India would be entirely dependent on foreign sources who are reluctant to part with this critical technology for the space programmes.

"Cryogenics" is the science of low temperature and the propellant is a combination of liquid oxygen and liquid hydrogen. This type of propellant has its advantages because it is light, thereby producing a greater pocket thrust. Consequently, the payload to be carried by the launcher namely, the satellite, would be heavier and larger, according to space scientists.

In 1990, the government of India earmarked a huge sum of Rupees 240 crores for the development of a particular type of cryogenic engine for the GSLV.

The project assumed significance because the seven developed countries had barred the transfer of this important aerospace technology for cryogenic engines to developing nations which have their own space programmes.

The lack of financial allocation for the development of cryogenic engine systems in the recent budget has understandably triggered speculation in aerospace circles that it was done under possible American pressure.

After all, the Russians have stated that they were pressurised by Americans not to part with the knowhow to this country.

All the same, as the controversy about Russia taking what it calls a "pause" in supplying this technology to this country is gaining ground, Indian space scientists have made some progress in this important field.

How many, for instance, are aware that development tests, which have been successful, on a particular version of a subscale cryogenic engine has been completed? This apart, space scientists have also completed the design for various elements of "cryo liquid oxygen."

An ISRO document stated that an engineering model of a certain type of thrust chamber for the engine has also been fabricated. These have been developed despite the fact that it has been difficult to obtain the knowhow from foreign sources, it was stated.

Against all odds, the space scientists also designed a gas generator for the "C-12 cryogenic engine." Significantly, a subscale cryogenic engine test stand along with different instrumentation facilities was also commissioned recently.

Equally noteworthy is the fact that a water cooled cryogenic engine for long-duration use was also tested, according to ISRO officials.

According to the latest annual report of the department of space in the area of cryogenic propulsion system a mini hydrogen liquifier plant has been commissioned.

Cryogenic rocket engine technology is being developed in various parts of the world. It is being fabricated for the European Space Agency's Ariane-5 launcher and Japan's H-11 launcher.

While the tests for Ariane-5 have been generally trouble-free in France, the H-11 is stated to be frequently catching fire at the Tanegashima space centre of Japan's National Space Development Agency.

Foreign Investment Insurance Accord Signed

92AS0979A Calcutta THE TELEGRAPH in English
16 Apr 92 [page not given]

[Text] Washington, April 15—India has signed the convention of the "Multilateral Investment Guarantee Agency [MIGA]," the newest arm of the World Bank that insures foreign investments against political risks in various countries.

The convention was signed on Monday at the World Bank by Mr. Lalit Mansingh, deputy chief of mission at the Indian Embassy. The signing was yet another indication of the new economic policy changes as New Delhi gears up to attract foreign investments.

Miga, which had its first operational year in 1990, after being conceptualised in 1985, has issued insurance worth \$440 million covering total investments of \$2.7 billion. It guarantees investments and also insures investors from member nations.

India became the 113th country to sign the convention but it will become a full member only after Parliament ratifies the treaty. Following the ratification, New Delhi will have to buy subscription into Miga and pay 10 per cent of the total price of the allocated shares. India's allocation is 3.048 shares. It will cost New Delhi \$2.4 million and Rupees 8 lakhs. The payments will have to be made in cash.

Miga will pay 90 per cent of the profits to businessmen if they are unable to take the profits out of a country because of sudden changes in law or governments.

Increased Economic Cooperation With Jordan Agreed

92AS0972A Madras THE HINDU in English 25 Apr 92
p 7

[Text] Amman, April 24—Jordan and India have concluded a round of talks on economic cooperation with an agreement to increase trade from the present annual level of \$240 million officials said.

The biannual meeting of a joint Jordanian-Indian committee reviewed bilateral cooperation and trade and it was agreed that "both sides would seek to increase the imports of products from each other," said Mr. G.P. Rao, a senior Indian Commerce Ministry official on Thursday.

According to Mr. Rao, India imported Jordanian phosphates and potash worth \$161 million during 1991 while Jordan's purchases of Indian products—mainly wheat and engineering goods—amounted to \$80 millions.

India, the biggest importer of Jordanian products for decades, has been trying to increase its exports to Jordan from a negligible \$1 million in 1987 and Mr. Rao expressed satisfaction with the 1991 results.

Present Indian exports to Jordan include frozen meat and mining equipment besides animal feed and spices. The increased level of exports was reached through what Mr. Rao described as a barter mechanism under which payment is made in the form of Jordanian phosphates and related products.

A private sector Indian chemical company and the Jordan Phosphate Mines Co. have signed an agreement to set up a \$120 million phosphoric acid plant. The Indian firm will have 60 per cent equity of the \$25 million capital of the joint venture.

Mr. Rao, who led the Indian side to the meetings in Amman, said India was interested in setting up further joint ventures in mining, explosives, railways and vehicle assembly.—AP

Russian Delegate Gives Details of Trade Protocol

92AS0851A Calcutta *THE STATESMAN in English*
26 Feb 92 p 11

[Text] New Delhi, 25 February—The Rs.[rupees]7,500-crore trade protocol for 1992 between India and the Russian Federation delinks the question of liquidation of technical credit, amounting to Rs. 3,200 crores owed to India by the former USSR, from trade, reports PTI.

This has been one of the major gains of the trade protocol, which has established a framework for continuing trade with the Russian Federation, the Commerce Secretary, Mr. A.V. Ganesan told journalists.

The question of repayments of India's debt to the former USSR and the liquidation of the technical credit owed by the former will be discussed separately at the financial talks to be held next month and agreeable solutions will be found, Mr. Ganesan said.

Another major gain for India, Mr. Ganesan said, was that during the talks, the Russian delegation assured India that the Federation was keen to ensure supplies of the much needed raw materials and supplies to India and had taken steps regarding this effect.

Russia has undertaken to supply to India 4 million tons of crude oil, 600,000 tons of diesel, and 500,000 tons of kerosene, together valued at \$650 million.

Among the steps taken to guarantee supplies was that enterprises supplying goods to India will get 25 percent of the value of goods in hard currency.

Further, the Russian Federation has introduced a system of export guarantee and licences, under which enterprises would get quota for exports to India and they would not be in a position to divert the quota to hard currency areas.

Every enterprise would be entitled to retain a certain percentage of its export earnings from India in this country and could utilize the amount for imports from India.

Finally, the Russian delegation told the Indian delegation that the Russian Government would use its regulatory authority to compel enterprises to supply the required quantities to India.

About \$200 million worth of goods that would have gone to hard currency areas would be diverted to India in this manner.

Asked how the protocol was a gain to India since it had agreed to extend a technical credit of Rs. 850 crores, Mr. Ganesan said the technical credit was to the Russian Federation and not to the former USSR.

During earlier talks when the Russian side agreed to liquidate the technical credit in two installments, it was on the condition that India supplied to Russian Federation additional goods worth Rs. 1,600 crores as they estimated India's annual debt repayment obligation to be of the order of Rs. 3,200 crores.

Mr. Ganesan said that the technical credit of Rs. 850 crores would be adjusted in debt owed by India to the Russian Federation after a financial agreement was arrived at, maybe next year.

Dunkel Acceptance Could Hamper Development

92AS0940A Bombay *THE SUNDAY TIMES OF INDIA in English* 12 Apr 92 p 3

[Quotation marks as published]

[Text] Bombay, 11 April—Accepting the provision of the controversial Dunkel draft would imply a gradual recolonisation for India, scientists and policy analysts said here today.

Speaking at a convention on intellectual property restrictions and their impact on science, technology and economic development, Prof. B.M. Udgaonkar of the Homi Bhabha Centre for Science said under the pretext of protecting intellectual property rights [IPR], the Dunkel draft sought to bring about changes in the Indian Patents Act, 1970, which would hamper indigenous development of technology, particularly in the area of chemicals, drugs and pharmaceuticals and would be detrimental to the consolidation of a self-reliant industry.

“The Dunkel draft also demands that nothing, including living forms, should be excluded from the scope of ‘patentability.’ Such a demand flouts the long-standing

concept of excluding scientific discoveries and natural products from being patented," he said.

What principally exercised the analysts was the staggering implications for the Indian economy, should the draft be accepted.

Under the draft's provisions, for instance, that a multinational company holding a patent on a drug in this country need not actually produce the drug locally and only need import it, would cause a loss of up to one million jobs in the drug industry.

Even more disturbing are the implications for drug prices, which if removed from under the purview of the Indian Patents Act, would skyrocket in line with international prices. For instance, the price of ten tablets of furosemide, manufactured by Hoechst in the United States, is Rs. 50; in India, the same strip of ten costs about Rs. 1.68, a price difference of over 2,900 per cent.

"Thus," says a booklet taken out by the organisers of the convention, "by selling out under GATT or Special 301, we could be asking for increases of between 1,000 per cent to 3,000 per cent in the field of drugs alone."

Cows, too can be patented, since patents are now being given for "all non-human, non-naturally occurring products of human ingenuity." The patenting of animals has been possible in several countries since 1988-1989. The calf of a patented cow would belong not to the farmer who bought it but to the company that bred and sold him the cow.

As Dr. Usha Menon of the National Institute of Science, Technology and Development Studies pointed out, one could also patent parts of human beings. In a well-known 1990 case, the California supreme court ruled that a leukaemia patient in whose spleen a unique blood protein had been found and subsequently commercially exploited by a pharmaceutical firm, had no right to share in the royalties accruing from it.

"This kind of dilemma, calculated to drive any sane person (and any law court) crazy, is integral and intrinsic to the western standards in intellectual property rights now sought to be imposed on India and other countries through the obnoxious Dunkel draft text and by United States through Special 301," to booklet, titled "Patent Folly," noted.

Dr. Menon also pointed out that in the late 80s in the U.S. plant patent number 559 was given to Quincey McKeen for a heliotrope plant accidentally discovered in Guatemala. "Rights were granted on this material in spite of the fact that the plant was common knowledge to the people of Guatemala, and there was no great intellectual contribution of Quincey McKeen in its discovery," Dr. Menon noted.

In similar cases, she added, the United States had refused to revoke such patents since, according to the

laws of that country, prior public use or sale was not a sufficient ground for reopening an already granted patent.

These facts must be placed side by side with the fact that until the start of this decade, 35 nations had not allowed patents for food products, 22 for chemical products, 40 for biological processes for producing animal and plant varieties and 14 for nuclear inventions.

Dr. Udgaonkar said, "If all the other western nations were given the opportunity to decide when they would join the patent conventions why this sudden pressure on India to agree to the IPR concept in such a hurry?"

India is being pressurised to join the Paris convention and is being bullied by the United States under the terms of Special 301 and finally in terms of the trade-related intellectual property rights proposals at GATT.

"The main focus at present is on the TRIPS [Trade-Related Intellectual Property Rights] proposals at GATT," said Dr. Dinesh Abrol, scientist with the national working group on patent laws, "though GATT should strictly have been dealing with trade and nothing else. Even bringing intellectual property rights issues to GATT was a well-planned fraud. It is very difficult for any country to close her frontiers to trade."

Talking about intellectual property rights and scientific freedom, Dr. Hemu Adhikari of the BARC [Bhabha Atomic Research Center], observed that the idea of protecting them had always been to provide individual incentive to the inventor, as well as ensuring that he fulfilled his social obligation. "But far too often, the social obligation aspect is underplayed, if not ignored."

The convention was organised by the Academic Forum, the All India Peace and Solidarity Organisation, the Association of Consumers' Action on Safety and Health, the Bombay Union of Journalists, the Bombay University and College Teachers' Union, the Federation of Medical Representatives Associations of India, the Indian School of Social Sciences, the Lok Vidyan Sanghatana, and the Medico Friends' Circle.

Agriculture Ministry Releases Annual Report

92AS0934A Madras *THE HINDU* in English 5 Apr 92
p 16

[Boldface words as published]

[Text] New Delhi, 4 April—The prospect of foodgrains production for the year 1991-92 is dismal but the overall performance of the agricultural sector has recorded, if not a spectacular, at least an impressive growth during the year. Against the general expectation, the fertilizer consumption also went up considerably despite an increase in its price by 30 percent.

Though the foodgrains production is slated to face a big shortfall to the tune of about 10 million tonnes the non-cereal crops like oilseeds, sugarcane, fish production

and horticulture registered a phenomenal growth signifying the trend that needed to be picked up for harnessing them for full commercial exploitation.

Expected yield: Long dry spells during the crucial period of the cultivation of the food crops put paid to the hopes of the planners to achieve a new peak of 180 million tonnes, and according to a rough estimate the production this year is expected to touch only 172.5 million tonnes, according to the annual report of the Agriculture Ministry for the year 1991-92.

The poor production is not only going to be far less than the target of 182.5 million tonnes, but will be less than even the last year's impressive production of 177 million tonnes.

The major setback came from kharif crops which is expected to be about six million to eight million tonnes less than the target of 103 million tonnes. The rabi harvest has been completed but the estimates are yet to be made by the Agriculture Ministry to get a correct picture about the performance. Even though rabi crops are said to be better, the loss in kharif is likely to be covered only to a marginal extent, according to official sources.

Paddy badly affected: The most badly affected crop is paddy, which suffered immensely due to late monsoon and its early withdrawal resulting in lesser area of cultivation. The overall shortfall is likely to be about four million to six million tonnes less than the target of 76.5 million tonnes.

Wheat production is slated to touch 55 million tonnes, about one million tonnes more than the last year's albeit a million and half less than the target of 56.5 million tonnes.

Production of pulses, whose output has been showing higher growth trend thanks to adoption of better seed varieties and pest management, has been estimated at about 14.5 million tonnes, only marginally less than the target of 15.5 million tonnes. Oilseeds is also expected to fare well though for a marginal setback in the ground-nut and soyabean. However, a bumper crop of rapeseed mustard is almost certain with the assessment of the output being more than 6 million tonnes. Present assessment of kharif oilseeds output has been put at 8.5 million to nine million tonnes, against the target of 10 million tonnes. However, the loss might be made up to an extent in the rabi crops, mainly mustard to narrow the shortfall from the overall target of 18.5 million tonnes.

Cotton production: The total production of cotton will be around 105 lakh bales, much higher than the last year's production of 97.6 lakh bales. Sugarcane production was anticipated to exceed the target of 230 million tonnes by about 10 million tonnes.

It was however, the little known sector of fisheries and horticulture which showed phenomenal results. Fish production is likely to reach a record level of four million

tonnes, recording a five-fold increase over the last four decades. There has been a quantum jump in the export of marine products from Rs.[rupees]8,944 crores last year to Rs. 1,500 crores in 1991-92, with an increase of about 68 percent. Similarly, production of fruit and vegetables in the horticulture sector also was higher this year with 28 million tonnes and 57.8 million tonnes respectively.

Agricultural exports continue to grow with the total exports during 1991-92 touching Rs. 6,441 crores (April-September) as against Rs. 4,836 crores during the corresponding period the previous year.

Bonn Announces 1992 Development Aid

92AS0933A Madras *THE HINDU* in English 5 Apr 92
p 6

[Boldface words as published]

[Text] Bonn, 4 April—Germany will provide India with DM[German mark] 385 millions (\$233 millions) in development aid this year, DM 50 millions marks less than the 1991 sum, the Bonn Government has said.

The German Economic Cooperation Ministry said that despite the lower figure, the aid was still the highest Germany would provide to any developing nation this year.

The Ministry, announcing the results of negotiations with New Delhi, said the Bonn side brought up such questions as Indian adherence to human rights and the ratio of Delhi's military spending vis-a-vis its outlays for development and social welfare.

Bonn said it coupled its aid pledge with the expectation that India would continue to pursue its market economic reforms.

Technical assistance was kept at the previous years' level of DM 35 millions. The aid package also includes a commercial credit of DM 75 millions from the State-owned Credit Bank for Reconstruction for the mixed financing of some projects.

Cut deplored: Mr. Deb Mukherji, joint secretary in the department of economic affairs, Ministry of Finance, who led the Indian delegation, regretted the slashing of German aid to India, but said India very well understood the budgetary difficulties cited by the German side as the main reason for taking this step.

Mr. Mukherji told UNI at the conclusion of the negotiations that the slashing of the aid would not have any immediate impact on the country's development efforts or on the financing of necessary imports.

No linkage: He said that at no time during the negotiations did the German side try to link the aid cut to what the German described as India's "excessive" military spending. On the contrary, the German side appreciated

the fact that in real terms there was a slight decline in India's defence allocation in the new budget announced.

India's charge d'affaires in Bonn, Mr. Kamlesh Sharma also regretted the aid cut and remained the German side that their country's aid had played a very significant role in accelerating India's development.

Analysts said the impact of the cut would be more on symbolic than practical terms. It could not have come at a worse time than this year when India was mounting the largest exposition of a foreign culture ever held in Germany in the form of the "festival of India."

Mukherjee Announces Launching of Eighth Plan
92AS0927A Madras THE HINDU in English 2 Apr 92
p 1

[Boldface words as published]

[Text] New Delhi, 1 April—The Planning Commission Deputy Chairman, Mr. Pranab Mukherjee, announced here today the formal launching of the Eighth Plan (1 April, 1992 to 31 March, 1997), leaving the already worked-out broad parameters of the Plan for approval by the National Development Council (NDC), scheduled to meet here on 22 and 23 May 1992. Mr. Mukherjee, however, said the objective of the Eighth Plan was to allow for an annual inflation rate similar to the Seventh Plan average of 7.5 per cent.

Mr. Mukherjee, who made the announcement, at a press conference, said there was nothing unusual in starting a Plan without finalising the Plan document. The Sixth Plan was launched in 1980, but the document was placed before the NDC only in February 1981. Similarly, the Seventh Plan got off to a start on 1 April 1985, but the document was presented to the NDC only seven months later. By these standards, Mr. Mukherjee said there was hardly any delay in the Eighth Plan, the major thrust of which as contained in the approach paper had been approved by the NDC.

Different Plan: The Eighth Plan in totality was different from the earlier plans, as its very formulation was in the changed context of economic liberalisation, initiated since July 1991. The opening of the public sector to the private sector was the most striking change and consequently the public sector's responsibility in those had been reduced. But its responsibility in social sectors was increased with assured funding of the priority areas. Finally, the concept of social security, encompassing food, health, education and employment would also receive serious attention.

According to Mr. Mukherjee, a major weakness of the Plan process in the past was lack of people's involvement which the Eighth Plan would consciously try to remove. A task force had submitted its report and it was under the consideration of the Planning Commission. However, the priority areas of the Plan have been defined,

which included power, transport, communication, irrigation and agriculture, both region-wise and crop-wise. The social sector which would receive greater attention includes population control, literacy, employment generation and health.

Mr. Mukherjee said the effort of the Eight Plan would be to fund these areas fully and not spread the resources thinly as in the past. For 1992, 93, the first year of the Eighth Plan, the Plan size had been fixed at Rs.[rupees]79,698 crores, 12 per cent more than last year. Of this, the central sector accounted for Rs. 48,341 crores and States and Union Territories Rs. 31,291 crores. The budgetary support to the Central and State sector has been set at Rs. 33,887 crores.

As the private sector had entered those areas reserved previously for the public sector, such as power, the resources so released would be used for other socially important sectors. But the Deputy Chairman did not expect any massive inflow of private investment in these areas in the near future and even in power sector, the private sector contribution during the Eighth Plan may not be more than 3,000 to 4,000 MW out of the total anticipated addition of 38,000 MW.

Dr. C. Rangarajan, Planning Commission Member, said the price rise was due to an increase in the aggregate demand or increased money supply growth. The effort would be to finance the Plan in a non-inflationary manner and deficit financing in terms of RBI credit to Government kept to the minimum. This was one of the ways of controlling inflation. Dr. Rangarajan denied that partial convertibility of rupee contributed to inflation. Nor did it mean a fresh round of devaluation.

Mr. Mukherjee said while the Government would not repeat the Seventh Plan experience of large scale external commercial borrowing, the Eighth Plan had assumed external support at 1.4 per cent of the GDP [gross domestic product] based on an annual export growth of 13.6 per cent and imports of 8 per cent of GDP. According to Mr. Rangarajan, in absolute terms the external support for the Plan period totalled Rs. 49,000 crores of \$4 billions annually in absolute terms.

Mr. Rangarajan said of the \$4 billions \$2.5 billions could come in as external assistance, while the remaining \$1.5 billions could come through NRIs, external commercial borrowing, foreign investment, portfolio investment, etc. In any case it also meant that the country had to substantially increase its exports. Asked about the impact of full convertibility, first on trade account and later on capital account, he said the nation could not afford to have full convertibility on capital account for another five years till its economy became strong.

Papers Report Finance Minister's Visit to Japan**Remarks to Tokyo Press**

92AS0941A Bombay *THE SUNDAY TIMES OF INDIA* in English 12 Apr 92 p 1

[Quotation marks as published]

[Text] Tokyo, 11 April—Strongly endorsing India's liberalisation measures, the Japanese Prime Minister, Mr. Kiichi Miyazawa, has promised maximum possible bilateral assistance and support to New Delhi at the World Bank and the IMF during the "crucial transition period," reports PTI.

Mr. Miyazawa committed his country to the success of India's reforms when the finance minister, Dr. Manmohan Singh, called on him here last night and gave a broad outline of the far-reaching measures taken to liberalise the Indian economy. Dr. Singh handed over a letter from the Prime Minister, Mr. P.V. Narasimha Rao, to Mr. Miyazawa.

Japan, which provides the largest bilateral aid to India, has agreed to consider positively New Delhi's request for pledging \$400 to \$500 million as quick disbursing aid through official development assistance to bridge the country's exceptional financial requirements of \$3 billion in the current year.

A Japanese spokesperson told journalists that Mr. Miyazawa assured the finance minister that Japan would extend as much assistance as possible "since that reflected Japan's optimistic evaluation" of India's economic reforms.

The Japanese Prime Minister also assured Dr. Singh of his country's full support to India in multilateral financial fora like the IMF and the World Bank when proposals relating to India come up ensuring that the process of economic reforms yielded benefits to people.

Mr. Miyazawa and other Japanese leaders recognised that during the initial two or three year period of major reforms programme problems of adjustment were severe and it would do whatever possible for a "smoother transition."

An official spokesperson said Japan attached high importance to stability and peace in Asia and for a smooth transition in the developing countries of the region to a higher growth path.

Japan recognised its responsibilities towards the developing countries of Asia, he said.

Dr. Manmohan Singh is leaving for New Delhi tomorrow after a four-day official visit.

Meanwhile, Dr. Singh declared that the government was not thinking of handing over public sector enterprises to the private sector and maintained that his remarks on the subject to the top Japanese bankers had been "misunderstood."

Asked by the Tokyo-based Indian journalists about the criticism of his remarks on the "disinvestment" in the public sector corporations, Dr. Singh said, "I was merely restating the known policy that we were not thinking of handing over these corporations to private sector and we are not going beyond 49 percent. It is our intention not to go beyond 49 percent (while disinvesting)."

The finance minister said that he did not also use the word "privatisation" but only "disinvestment."

Dr. Singh ruled out reversal of the economic reforms policies and said India would "stay on the course" of new development path.

The finance minister said he found the Japanese political leadership, industrialists and businessmen to be "very responsive" to India's needs. He also found there a "new enthusiasm" among the Japanese industrialists and business community to invest in India.

Asked in which areas India expected Japanese industrialists to invest, Dr. Singh said it was for each corporation to decide. The Japanese industrial houses showed considerable interest in the evolving economic situation in India and he had told them that the reforms were "irreversible."

He said industrial conglomerates like C-Itoh, Mitsubishi and Mitsui corporations were sending their investment missions shortly to India to identify new areas of investment.

Mr. Singh said during the meeting with Mr. Miyazawa he thanked Japan for its consistent support to India, especially for managing the balance of payments crisis last year.

About the proposal for setting-up industrial model towns in India with Japanese technology, he said it was at an early stage now and Japan was making a feasibility study about it.

The discussions with Mr. Miyazawa and the deputy prime minister and foreign minister, Mr. Watanabe separately covered a wide range of subjects.

The Japanese were eagerly looking forward to the forthcoming visit of the Indian Prime Minister in June this year, which would give a new dimension to the overall bilateral relations between the two countries.

Manmohan to Newsmen, Seminar

92AS0941B New Delhi *INDIAN EXPRESS* in English 11 Apr 92 p 17

[Boldface words as published]

[Text] Tokyo—The Finance Minister, Dr. Manmohan Singh on Friday said that India expected to net about \$6 billion by way of direct foreign portfolio-investment in the next three years.

Addressing a press conference, Dr. Singh in response to a question on the prospects of foreign investments following its recent economic reforms, said "it is our hope that in the next two to three years we can get from various countries, direct portfolio investment in the range of about one to two billion annually."

He assured that the recent changes in the industrial, investment and trade policies had reduced bureaucratic controls and permissions drastically. There had been considerable simplification of procedures. This had brought about a significant clarity in business approvals and decisions.

Dr. Singh appealed to the Japanese business community to make use of the opportunity created in India and participate in the development of the developing countries for mutual benefit.

Replying to a question on the Uruguay Round, Dr. Singh emphasised the need for the Uruguay Round of negotiations to conclude successfully in the overall interests of the world economy, particularly in developing countries.

He said the negotiations should be held in a 'give and take' attitude under the GATT principle.

Dr. Singh said the Government would be soon amending the FERA act to make it more comprehensive and substantially reduce exchange controls.

The Finance Minister also addressed a well-attended "Investment Seminar of India," organised by the Japanese Chamber of Commerce in association with the Japan Committee of the India-Japan Business Cooperation Committee.

Out of the Woods

The Reserve Bank of India Governor, Mr. S. Venkitaraman, told the seminar that India was now out of foreign exchange difficulties with the reserves amounting to \$6 billion. He assured the Japanese industrialists that the liberalisation undertaken by India was irreversible. "There is no need for any apprehension as all the measures have been overwhelmingly approved by the Indian Parliament."

In the last eight months, Mr. Venkitaraman said, foreign investments approved by the RBI amounted to \$500 million with one third of it coming through automatic approval channels.

Foreign companies wishing to open branch offices in India could do so easily now, with just the prior approval of the RBI, he said.

Meanwhile a top industrial house of Japan will invest \$800 million on setting up an oil refinery in the west coast of India, near Maharashtra and in a petrochemical project at a site yet to be decided as joint ventures with the Reliance group.

The Japanese company C Itoh is also planning to set up a computer software project in Karnataka, using Indian expertise.

The company's decisions were conveyed to Dr. Manmohan Singh by the company's group president, Mr. M. Urdufushi and Managing Director, Mr. B. Mita.

The name of the company's Indian partner for the computer project was not disclosed.

The company has also decided to invest in a food processing unit for fast food products.

Japanese Businessman's Remarks

92AS0941C New Delhi *INDIAN EXPRESS* in English
9 Apr 92 p 13

[Text] Tokyo—Japanese industrialists and businessmen want India to promote further liberalisation of foreign investment and imports while ensuring political stability and continuity in investment-related policies.

An extra effort is required to divert Japan's attention from nearby East Asian and South-East Asian nations "to come all the way through the Strait of Malacca to India," a Japanese Chamber of Commerce and Industry spokesman said as a high-level official and business delegation led by Finance Minister, Dr. Manmohan Singh, began a four-day visit to Tokyo on Wednesday.

Japan, India's second largest trading partner after the United States, accounting for about 8.8 percent of India's total foreign trade, is itself trying to recover from a bad recession and is "watching" the economic developments in India, the spokesman said.

In terms of volume, bilateral trade has shown consistent growth and stood at about a billion dollars in 1991, the spokesman added.

Among the demands of Japanese industrialists on investment policy are total deregulation of restrictions on foreign capital ratio, liberalisation of repatriation of profits and removal of restrictions on capital goods imports when a new joint venture is established.

They also want early revision of the Foreign Exchange Regulation Act (FERA) and deregulation of various restrictions in the act. The restrictions related to prohibitions of commercial activities by foreign collaborations, prohibition on real estate acquisition and similar activities.

Early formulation of exit policy and single-window clearance agency to receive investment applications, relaxation of restrictions on industry locations, reduction of protection for small-scale industry (SSI) and clarification of the possibility of extension of technical tie-ups are the other measures sought by the Japanese side.

In the area of trade policy, relaxation of import licence system, further reduction of import tariffs and simplification of customs clearance procedures, reduction of

export requirements are steps required to be taken to suite Japanese businessmen.

The Japanese financial institutions will like liberalisation of banking activities, relaxation of foreign currency control, development and stabilisation of the call market and removal of loan obligations to priority sectors.

The potential Japanese investors also seek revision of labour laws that will benefit both labour and management and promotion of improvement of basis industrial infrastructure in such areas as electricity and telecommunications.

All these issues, will crop up in the course of deliberations in the 'India Investment' seminar on Friday which Dr. Manmohan Singh and Mr. Venkitaramanan are slated to address.

Another matter that will come up for discussion during Dr. Singh's interaction with the Japanese side will be the construction of an industrial park or industrial model town (IMT).

Growing Relationship Welcomed

92AS0941D Bombay THE TIMES OF INDIA
in English 11 Apr 92 p 14

[Text] Dr. Manmohan Singh's visit to Tokyo has helped in carrying conviction with both the Japanese government and some of the leading business houses that India will live up to its commitments to economic reform. One welcome outcome is Tokyo's decision to send a high-level group next week to identify projects for quick disbursing assistance to the extent of \$400 million to \$500 million to ease the balance of payments problem. Another is the announcement of a major investment by Mitsubishi in a float glass plant, possibly the first of other commitments which may be made after a study of available opportunities by a team of its executives. The

finance minister has also secured a pledge that Tokyo will support India's request for an extended fund facility from the IMF later this year when the government is ready with its medium-term economic programme. Implicit in this is an expression of confidence in India's current economic management, and this is confirmed by the consideration being given to removing India from the "credit watch" list of the Japan Bond Research Institute and to the full restoration of suppliers' credits. These helpful developments are of a piece with the signal support extended by Japan to India during last year's dire balance of payments crisis. The Japanese have put their money where their mouth is and India has cause to appreciate that Japan has not subjected it, as some other powerful countries have done, to mere ideological homilies without significant bilateral support of a readily usable kind. Even in terms of industrial investments, the Japanese share is around 20 percent of the projects worth about \$150 million that have been cleared in the last six months. More can now be expected as signalled by the decision taken by Mitsubishi.

Since Japanese companies are credited with innate caution, characterized by thorough investigations before committing investments, their example will undoubtedly have a healthy demonstrative effect. A growing relationship between India and Japan is thus much to be welcomed, not least because the emergence of economic blocs in America and Europe makes it necessary for Japan to explore the possibility of closer links with Asia in addition to those it has across the Pacific. Given this context, it is unfortunate that Dr. Singh's highly useful visit has been needlessly marred by a controversy at home on the issue whether it was procedurally proper for him to announce the government's readiness to divert 49 percent of its holdings in some categories of PSUs to multinationals before taking Parliament first into confidence. Since the same sort of problem had arisen before, the government should have taken particular care to avoid giving, even unintentionally, any offence.

Troubles in Defense Research Organization Noted

92AS0853A Madras INDIAN EXPRESS in English
3 Mar 92 p 11

[Article by Ramakrishna Upadhyaya; boldface words as published; quotation marks as published]

[Text] New Delhi—Rumblings of discontent in the prestigious Defence Research and Development Organisation (DRDO) under the Ministry of Defence, over alleged arbitrariness in recruitment and promotion of scientists, have reached disquieting proportions.

The absence of set procedures for selection to top posts in the organisation, which has resulted in some 'unworthies' occupying important posts, has been the cause of much heartburn among the scientific community in the DRDO, which is entrusted with the vital task of design and development of weapons and equipment for the three armed services.

The failure of DRDO to deliver on two of its major promises—the much-publicised Light Combat Aircraft [LCA] and much-troubled Main Battle Tank, even after crores of rupees have been sunk into them—is attributed as much to the technological challenges as the abysmal management of the scientific talent within the organisation.

Highly-placed sources attribute the demoralisation that has set in DRDO to the arbitrary style of functioning of Dr. V.S. Arunachalam, the scientific advisor to the Defence Minister, who has also presided over the destiny of DRDO for a decade now. They accuse him of usurping the powers of recruitment and promotion of scientists from the UPSC [Union Public Service Commission] and posting men of doubtful competence in many key positions.

Some of the examples are: Mr. K.N. Singh, a mere civil engineer, who has no worthwhile scientific achievement to his credit, has risen to the rank of scientist G, the highest possible position, within a very short time, and today holds the all-important post of chief controller (personnel). The grapevine has it that it has a lot to do with the excellent personal equation he has with Dr. Arunachalam.

Mr. K. Santhanam, an M.Sc (physics), who has never faced a proper selection committee, has scaled the rank of scientist G, becoming technology advisor to Mr. Arunachalam, an euphemism for mainly 'liaison' work.

Mr. I.D. Gaba, who was scientist D, before taking on the key post of director (personnel), was mysteriously removed from that position two years back and posted to Manpower Development, a new department created for him. Upwardly mobile Mr. Gaba, is now tipped for a foreign assignment—as 'technology advisor' in the United Kingdom.

Mr. A.K. Datta's rise has been meteoric. Only a scientist B a decade ago, he has served as director (personnel),

technology advisor in London, and now a special post has been created for him as director of environmental safety and pollution control.

Mr. V. Siddartha is another scientist G, holding the post of officer on special duty, though his duties remain ill defined and nobody knows what his scientific achievements are.

How the rot set in: These are but a few examples of the presiding deities of DRDO, which has as many as 47 R&D laboratories and scientific establishments all over the country, assigned such important disciplines as aeronautics, rockets, missiles, electronics, naval systems, high altitude physiology, psychology and nuclear medicine.

Informed sources say that the rot set in with the delinking of appointment and promotion of scientists in the DRDO from the Union Public Service Commission and the creation of the Recruitment and Assessment Centre (RAC) within the organisation in 1983. It is alleged that Dr. Arunachalam and henchmen have made RAC their handmaiden to reward their faithfuls and punish their detractors, unmindful of the deleterious effect it has on the functioning of various scientific establishments.

At the last count, there were as many as 297 cases filed by scientists and other employees of DRDO before the Central Administrative Tribunal [CAT]. Alarmed by the growing number of litigations, Mr. K.N. Singh sent a letter to all the directors of defence laboratories and establishments, pointing out that "of late, we are noticing that a large number of applications have been filed by officers and staff of DRDO in various branches of CAT, ranging from disputes regarding seniority, suppression in promotion, etc.—issues relating to personal management and administration." He asked the directors to periodically interact with the officers, look into their grievances and "make all efforts to refrain them from approaching the courts."

Not only is DRDO up to its neck in court cases, but a recent judgement of CAT declaring the appointment of Prof. S. Sampat as RAC chairman—who functioned in that capacity from 1983 to 1989 as "unconstitutional and invalid" and "consequently, the assessment held under the chairmanship of Prof. Sampath would also null and void," has put DRDO in a terrible jam.

The implication of the judgment is that now there is a cloud over hundreds of appointments and promotions made by the RAC under Prof. Sampath. A panic-stricken DRDO has approached the Supreme Court pleading for quashing of the CAT ruling.

Unmoved: The rumblings in DRDO has left a nonchalant Dr. Arunachalam unmoved. When this correspondent tried to contact him for his comments on the goings-on in DRDO, he remained incommunicado for several days. But when he finally came on the phone, he said he

was busy for the next few weeks and "you are free to write whatever you want." Mr. K.N. Singh, similarly, made himself unavailable.

The premium on mediocrity in DRDO has meant that apart from moderate achievements in the fields of import substitution and system improvement activities, it has nothing worthwhile to show in frontier science and technology, barring the development of missiles under the able guidance of Dr. Abdul Kalam.

The army's Main Battle Tank, Arjun, has been under production since 1974. Over Rs.[rupees]200 crore has been sunk into the project and a dozen prototypes produced, but the tank does not meet the army's requirements in many vital areas, which include design of the hull, the turret, firing and weight. It has proved to be a disaster under desert conditions in Rajasthan, where it would need to be eventually deployed. With nearly 40 percent of its components being imported, complications have arisen in obtaining some key components as, after the Gulf War, the manufacturers in the West are reluctant to supply them.

The production of Light Combat Aircraft is another prestigious project which is struggling to take off. The Chief of Air Staff, Air Marshal N.C. Suri recently expressed the Air Force's anxiety to have the LCA at the earliest. But with the slippages on account of technical snags and cost over-runs, the flight test which was supposed to take place this year, has been postponed to 1995. There is a growing concern as the phasing out of the MiG-21s is expected to commence in mid-1990's, and the Government is seriously considering options of either scrapping the LCA and going in for an imported aircraft or involving the private sector in a big way in the project. But with India requiring about 400 of the LCA class of aircraft, importing them will involve a mind-boggling cost of over Rs. 20,000 crore, besides making the country perennially dependent on foreign suppliers.

Given the state of disarray in the DRDO, many observers feel that only a major 'surgical operation' will rescue the organisation from a total collapse.

Slavak Republic Offers Soviet Arms Spare Parts

92AS0978A Bombay THE TIMES OF INDIA
in English 15 Apr 92 p 13

[Text] New Delhi, April 14 (PTI)—The Slavak republic of Czechoslovakia has offered to supply India space

parts for military equipment of Soviet origin and set up joint ventures in the engineering sector.

The offer was made by the visiting Slavak minister for international relations, Dr Pavol Demes, during separate discussions with the defence secretary, Mr N.N. Vohra, and the minister of state for industry, Prof P.J. Kurien.

Dr Demes told newsmen here today the Slavak spare parts could be compatible with some of the military hardware obtained by India from the erstwhile Soviet Union as they were in common use of the former Warsaw Pact countries.

The offer is considered significant in view of some difficulties faced by India in getting military spares for Soviet equipment following disintegration of the USSR.

The Slavak republic accounted for a major share of the Czechoslovakia's military industry compared to the Czech republic.

Replying to questions, Dr Demes said Czechoslovakia's military spending had reduced over the years and there was growing emphasis on converting the military industry for producing items for civilian use.

Dr Demes, who also had a meeting with the minister of state for external affairs, Mr Eduardo Faleiro, said his visit was primarily a fact finding mission to explore possibilities of bilateral cooperation.

The Slavak republic as a nation within the Czechoslovak federation had several items in the engineering and machinery sector, which could find a ready market in India, he said.

Noting that the Slavak republic was also engaged, like India, in the process of economic liberalisation, Dr Demes underlined the need for bridging the information gap between the two on their potential in the field of economy.

Dr Demes said Slavak hoped to become a member of the European Community by the turn of the century though the period of transition to a free market economy by the central European republic was a "painful process."

He noted that the conversion of the military industry was part of Slavak's overall restructuring of economy.

Replying to questions, Dr Demes said only 20 per cent of the Slavak Population wanted a separate country and that a national debate was underway.

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